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The Nation's Business

The Break With Russia

Soviet Propaganda Must Still be Watched

C.M.A. Should Meet Farmers With Open Minds and Hearts

"Talking Turkey" to Uncle Sam

IT IS not many months since exposures in The Financial Post of Soviet propaganda in Canada brought from one of Canada's leading newspapers a satirical description of The Financial Post editors in "a haunted wood."

Any doubt as to the existence of a most subtle, dangerous, disintegrating propaganda by the Soviet government, aimed at the ultimate destruction of the capitalist system in Canada and the breaking down of our social institutions, has been removed by Premier Baldwin's amazing revelations this week, by Britain's break with Soviet Russia and by the British Premier's reference to Soviet activities, in the form of communistic teachings, in Canada.

It is not to be expected that a break with Russia will stop Soviet propaganda in Canada. It will go on in one way if not in another. It is essential that business men watch for it; that they do all in their power to stop it and that the public be put on guard against communistic and anti-social teachings in our newspapers, schools, colleges and lecture halls. Soviet propaganda takes subtle forms. That is its danger; often its chief spokesmen are unwitting tools.

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NEXT week the Canadian Manufacturers' Association meets in Calgary. Calgary incidentally is the home of Henry W. Wood, one of the most influential leaders of western agriculture. The C.M.A. is meeting in one of the leading centres of Western farming. It is to be hoped that the individual members of the C.M.A. will not go West with their loins girded for battle with the farmers on the tariff and other questions of national moment. Rather the opportunity should be taken to see if an understanding of mutual problems cannot be achieved; if the leaders of western farming and eastern industry cannot find a policy that will satisfy both and stand for something that is Canadian in a nation-wide sense.

The C.M.A. has made a gesture to this end by asking Wood and other Westerners to speak to them. But more than this gesture is necessary. The spirit must be willing and the desire to end the traditional conflict between farm and factory on the tariff question must be aflame.

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IN SETTING apart "Canada Day" on the program of its annual meeting, the National Foreign Trade Council of the United States provided a forum for the interchange of viewpoint on many problems of mutual interest. This year a most representative and important group of Canadians went to Detroit for the Canada Day Session and their spokesmen delivered addresses that were of the most significant nature.

At least two of the Canadian speakers, Travers Sweatman, K.C., eminent Winnipeg lawyer, and George Wilson, former banker and retiring president of the Toronto Board of Trade, "spoke out in meeting" and declared that American tariff policies were distinctly unfriendly to Canada. Their remarks are published at considerable length in this week's issue of The Financial Post. (See pages 14-15 and 23.)

Americans present at the gathering were told frankly that Canada wishes to facilitate the interchange of goods between the United States and Canada. But they also were told that if American policies made it possible for Canada only to buy and not to sell in the same degree, that Canada would look elsewhere for markets and sources of goods; would develop to the greatest possible extent the great British Empire market.

The American spokesman at the meeting prophesied some lessening in the rigor of American restrictions on Canadian sales there and a continuous growth in our exports to his country.

Edward Beck, secretary of the Canadian Pulp and Paper Association, made it clear in his address that if Canada places some restrictions upon the export of pulpwood it would not be with the smallest feeling of hostility toward the United States, but simply to promote that conservation of Canadian forests, which is even more profoundly vital to the American people than to ourselves.

S. B. Gundy, president of the Canadian Chamber of Commerce, must be congratulated upon having taken such a fine and representative group of Canadian speakers across the border with him.

Canadians Will Manage Ten Bakeries, Bought from Continental Corp.

Group of Original Owners Are Directors With McMullen as President

TO OFFER STOCK SOON

Toronto Financial District Expects Issue Will be as Popular as That of H. Walker

Northern Bakeries, Ltd., a subsidiary of Continental Banking Corp., has been purchased by a Canadian group. The cash paid over amounts to between $5,000,000 and $6,000,000.

It is understood that the stock-brokerage firm of Osler & Hammond will make a public offering of stock in Northern Bakeries, Ltd., within a week. The price at which stock in the new company will be offered the public has not been revealed, as yet, if it has been determined. It is not known if there will be an issue of bonds.

Former Group to Manage It

Northern Bakeries, Ltd., was organized in 1925. Firms taken into the merger, which came into existence as a Canadian adjunct to the ambitious plans of promoters of Continental Baking Corp. in the United States, were:

James M. Aird, Ltd., James Strachan, Ltd., D. M. & G. A. Aird, and Dent Harrison & Sons, Ltd., all of Montreal; Ideal Baking Co. of Toronto and Hamilton; and the Neal Baking Co. of Windsor, St. Thomas, Sarnia and London.

Principals of these concerns were elected as directors of Northern Bakeries, although control rested with the American parent company. It is now understood that the same board of directors will continue to act for Northern Bakeries. R. McMullen, it is said, will be president of the new company.

Many details affecting the transfer of interest from the United States to Canada remain to be settled, although the important question of management is determined. The name of the new company is not yet decided and features of the capital structure have not yet reached the stage where a public announcement is thought desirable.

Among Bakery Leaders

Northern Bakeries, it is declared, with ten bakeries in seven Canadian cities (Montreal is the only one outside Ontario) do a greater gross business than most other Canadian baking companies. Under the same practical management that upbuilt the original properties which formed the merger in 1925, it is believed that the investment will be highly satisfactory from the viewpoint of the shareholders as well as of the public. While it is possible that additional plants will be acquired from time to time, there is no intention to expand the business to compete with biscuit manufacturers.

It is said that Northern Bakeries was one of the most profitable subsidiaries of Continental Baking Corp. Continental operated 108 plants in more than 90 cities scattered throughout the United States. One of the most frequently heard criticisms of this company was that it covered so large a territory as to be unwieldy. This criticism became all the more pointed when by a so-called consent decree of the United States district court at Baltimore in April, 1926, Ward Food Products, Inc., was ordered dissolved as a contravention of the anti-trust laws. Continental was in the Ward plans.

Although earnings of the Canadian subsidiary have held up well, earnings of Continental as a whole have been compared unfavorably with those of Ward Baking Corp. and General Baking Corp. in the United States. There has been some question as to whether or not the company could continue to pay its preferred dividends.

Issue Will Be Popular

Sale of the Canadian subsidiary as a unit which could not be conveniently administered by the American interests seemed a logical step when Canadian interests made an offer to take over the properties for cash. Of the more than $5,000,000 which has been paid over, it is understood that Continental will use $2,000,000 for reduction of its bank loans and will use the remaining $3,000,000 for improvements and additions to existing plants. Some of the plants in the Continental chain are reported to be inefficient in some degree, although this has not been said with regard to the Canadian plants.

The forthcoming issue of stock in Northern Bakeries is awaited with great interest in financial circles. A scramble similar to the scramble for Hiram Walker stock is anticipated. It is understood that allotments of treasury stock tentatively made by the underwriters already have had to be scaled down, owing to the heavy demand.

Bakery Purchase is Distinct From Christie Situation

There is no foundation for the rumor that Christie, Brown & Co. and Telfer Biscuit Co. are going into the new company which will take over the Northern Bakeries unit of the Continental Baking Corp. The basis for the rumor apparently is that interests identified with the Northern Bakeries purchase have been identified with both the biscuit companies and because of higher prices prevailing recently for the preferred and common stocks of Christie, Brown.

It is pointed out that, while interesting events have been taking place simultaneously in both the biscuit companies and the baking company, there has been no connection between the two. One authority said that he could think of nothing less probable at this time.

Although there are reports of offers for the purchase of Christie, Brown, it is apparent that no negotiations are in progress.

CHRISTIE BROWN CONTROL BOUGHT BACK FROM U.S.

C. E. Edmonds is Credited With Moves Restoring Canadian Ownership

Christie, Brown & Co. is the latest Canadian company control of which has been returned to Canada after resting for a time in the United States. There has been quiet accumulation of the common stock of this company for some time. It was announced to The Financial Post this week that the move had been completed and that control now rests on this side of the boundary.

Credit for the transfer of control to Canada was accorded in one source to C. E. Edmonds, president of the company. Mr. Edmonds, however, said that the matter was one which did not concern the company or the board of directors. There will be no change in the board as the result of the transfer of large blocks of stock.

Retire Bonds Rapidly

The interests which have achieved control were aided in some degree by the investment buying which has characterized the preferred and common stocks for some months past. Most of this investment buying has been in Canada by Canadians who know the company as one of the first of its kind in the Dominion and because of the remarkable earning records achieved in the last two years.

The present company had $1,000,000 in bonds outstanding on January 1, 1926. In the intervening seventeen months, half of this issue of bonds has been retired without dipping too deeply into the cash resources of the company.

Christie, Brown preferred stock is convertible three-for-one. This convertible feature has made it especially attractive to buyers who wished a fairly high yield with the probability of participating in extra profits at a later date when the company has wiped out its bonded debt. The preferred has been bid up to 190 in recent weeks with no transactions. The common also is in heavy demand, although insiders are inclined to think that the present price is heavily discounting the future.

Earnings Continue High

Christie, Brown earnings continue at a high figure despite substantial appropriations for bond redemption, reserves and employees' profit-sharing fund. The profit-sharing fund is entitled to 5 per cent. of earnings after depreciation, bond interest and preferred dividends.

ALGOMA STEEL MAKING PROFIT FROM COKE SALE

Marketing of 200,000 Tons Gives Revenue of About $2,000,000

TO ROLL LONGER RAILS

Plants at Sault Ste. Marie Are Working Two Shifts; Demand for Smaller Products is Good

Outlook for Algoma Steel Corp. has improved somewhat this year owing to rail orders received from the railway companies, better markets for other steel products, and large increase in the output of coke for domestic purposes in addition to the coke produced for the company's own use.

Algoma Steel first began to supply coke as household fuel (other than to employees) in 1925, when 46,738 tons were marketed. In 1926, this business increased to 127,388 tons. In January, 1927, the company completed and put into operation a coke screening and loading plant, costing $250,000, properly to grade and handle the product and the expectation is that 200,000 tons of coke will be marketed each year in addition to the coke used in the company's furnaces.

At an average price of $10 the ton, this would give the corporation revenue of $2,000,000 annually. The profit per ton for the producer has not been divulged, but it is said that the company is well satisfied with the results of its venture into the domestic heating field. Lake Superior Corp., holding company for Algoma Steel, owns two West Virginia bituminous mines. The fuel is brought to Sault Ste. Marie in the navigation season at low cost.

Rebuild Rail Mill

All the mills of Algoma Steel Corp. are operating two shifts daily at present. But the rail mill will be closed down before the end of May to make re-arrangements and additions necessary to the production of rails of 39-feet lengths. Certain tonnages of this new section have been ordered by Canadian railroads in the past year and it is being adopted as standard on the principal lines for new construction. The corporation, for this reason, has been planning to meet the wishes of the railroads by putting its rail mill in position to produce the longer rail now demanded.

Business, it is said, has been good in the smaller steel sections of the plant and the Merchant Mills will continue to operate while the changes are being made in the rail mills.

Although committees continue to work on plans for a financial reorganization of Lake Superior Corp. and Algoma Steel Corp., nothing is ready as yet for publication.

Conference at Geneva Had to Reconcile Free Trade and Tariff Aims

France Talked One Policy While It Acted Another

TREATY IS IN DANGER

Canada-France Treaty Likely to be Abrogated — Russians Proved Long-Winded, Seeking Capital

Special to The Financial Post
By DR. ADAM SHORTT,
Of the Canadian delegation to the International Economic Conference.

GENEVA.—The International Economic Conference closed this week and some general points of agreement upon world economic problems were found. I propose in my next article to deal with the results of the conference.

The first few days of the conference were given up to more or less general statements by the delegates of most of the nations represented. At the urgent request of the general chairman, Mr. Theunis, former premier of Belgium, these were kept within more or less reasonable limits. Inasmuch as most of them were mainly expressions of personal gratitude at having an opportunity to take part with so many other distinguished persons in such a notable gathering, the comparative brevity of their addresses was a distinct boon.

Long-Winded Soviet Declarations

The only notable exceptions to this were the long-winded addresses by two of the Russion delegation, which, with its entourage of alleged experts and special advisers, numbers a round dozen. Were it not for the obvious self-assurance of our Russian friends, one might suppose that, in the number of their delegation as in their speechifying, they were disposed to substitute quantity for quality.

In the case of most of the delegates who spoke, although their remarks consisted mainly of conventional platitudes as to the ultimate solidarity of the interests of all the nations of the world, yet most of them managed, before closing, to indicate that, in the case of their own country, there were special forms of relief desired or favors to be sought, the realization of which would provide practical evidence of the general identity of world interests.

Several, however, of the addresses given before the general meetings were very important, as indicating the more essential factors in the practical problems which were facing more particularly the reconstructed nations of Europe, not only temporarily, in consequence of the war itself, but more permanently, in consequence of the dislocation of the old pre-war economic system. Thus, as was pointed out by one or two of the more in-sighted as well as far-sighted delegates, it was not merely a question of returning to conditions as before the war, but rather to a new adjustment of international relations, differing in several important respects from previous conditions.

The other great advantage of the rhetorical displays at the conference, and indeed the chief advantage in most cases, was the psychological one of putting the speakers and their delegations in good humor with themselves and their fellows, through this innocent gratification of their national or racial vanity. Thus, was distinctly improved the general atmosphere of the conference, in which

(Continued on page 13)

Decision Now Waits on Wolvin Plan

From Our Own Correspondent.

HALIFAX. — Justice Chisholm in chambers May 21st intimated to representatives of Besco and Dominion Steel, and to counsel for National Trust Co. that he was withholding his decision in the matter of the petition of National Trust Co. for a winding-up order and appointment of a liquidator for Dominion Steel until such time as further proposals for reorganization of Dominion Steel are before him.

It will be recalled that Justice Chisholm dismissed similar application with regard to Besco. The Dominion Steel case, it is thought possible, rests on somewhat different grounds. The management of the steel and coal companies, and committees representing various classes of shareholders, are reported to be considering proposals brought forward by Roy M. Wolvin.

DEFINITE NEWS ABOUT PACKING MERGER DELAYED

Amount to be Offered Davies A. Holders is Yet to Be Determined

Meat-packing companies which will go into the forthcoming merger will be Harris Abattoir (which now includes Gunns, Ltd.), the William Davies Co. and Canadian Packing Co. No other companies are taking part in the negotiations.

It will be probably two or three weeks before formal announcements are made to a proposed exchange of securities, and the issue of new securities. It is considered more than probable, however, that there will be a bond issue as well as issues of preferred stock and common of no-par value.

Bonds are Complication

It has not been determined, as yet, what will be offered holders of Davies A stock. About a third of the A stock and virtually all of the B stock is held by two or three individuals. In view of the recent disclosures of merger plans, holders of the Davies A have naturally come to regard their stock, which is in arrears since June 15, 1921, at a higher valuation than before the contemplated merger was first revealed by The Financial Post (April 15th). The stock market trend had been distinctly upward before this, and has continued since.

Another complication, it is understood, in the negotiations which is tending to delay settlement of the details of the merger is the form of bonds outstanding in the case of Allied Packers, Inc., of which Canadian Packing Co. (formerly Matthews-Blackwell Co.) is a wholly-owned subsidiary.

These bonds are an issue totaling $5,646,500 of Allied Packers, and are entitled first and collateral trust convertible sinking fund eights, due in 1939. The security is a first lien on the entire property of the company owned at the time of the issue or thereafter acquired, and thus they are a lien on Canadian Packing Co. They are further secured by pledge of Canadian Packing Co. 7 per cent. gold notes to the amount of $3,000,000 and by the pledge of $4,500,000 of stock of Canadian Packing Co. The convertible sinking fund debentures 6s, 1939, also are a charge ranking second against Canadian Packing Co. as well as on the parent company.

Harris Owns Gunns

There are no complications with regard to Harris Abattoir and Gunns, Ltd. Harris Abattoir always has been privately owned and Gunns Ltd. ceased to have a public investment interest some weeks ago when the new preferred stock of the company was called prior to its first interest date.

The common stock in the new Gunns Ltd. was left in the treasury, under control of directors, to be used for negotiations in the rearrangement which was considered essential to the future of the business. It is assumed that this common stock became the property of the interests owning Harris Abattoir when that company guaranteed the trade accounts and other liabilities of Gunns, Ltd.

Another Extension For T. & N. O. Railway

A third extension of the T. and N. O. railway will likely go ahead this year, from the present line, north of Cochrane, west to Smoky Falls.

Say Eaton's Will Establish Stores All Over Ontaric

Ultimate establishment by T. Eaton Company of a chain of department stores throughout Ontario's smaller cities is the interpretation placed upon recent activities of the company. Mail order branch offices have been placed in various centres where customers can leave their orders, which are wired to Toronto, filled at once and delivered free within the local corporation limits on the following day.

In addition, various small retail stores have been acquired and are being operated both as direct retail outlets and as mail order buying stations. Several of the shops so acquired are men's furnishings stores although other lines are stated to have been added since Eaton's acquired them. The stores are not being operated under the Eaton name. For instance, in Sudbury, the name used is Rideau Men's Furnishings.

Even more significant is information given to The Financial Post to the effect that Eaton representatives have been in Hamilton, Windsor, London and one or two other larger Ontario centres looking over possible sites for large department stores.

Canadian Grocer this week publishes an article which gives some confirmation to the above information. Canadian Grocer indicates that it was not able to get its information either confirmed or denied by R. Y. Eaton, president of the company. The article reads:

"Another addition has been made by the T. Eaton Co., of Toronto, to its chain of mail-order sample rooms and offices, in the opening of premises in Sudbury, Ont. It is understood by Canadian Grocer that free delivery of merchandise will be made within the corporation of Sudbury. This mail-order branch is similar to others conducted by the T. Eaton Company in Brampton, Oshawa, Hamilton and Kitchener, Ont.

"Perhaps the most important phase of Eaton developments in Sudbury, however, is the information which indicates that premises have been secured and necessary alterations are being made preparatory to the opening of a retail store in that centre which is a very important point in Northern Ontario. It is understood by Canadian Grocer that the retail store will be separate from the mail order branch, and that at the commencement it will be confined to dry goods and men's wear. A representative of the Eaton Company has been in Sudbury in connection with the organization of the retail stores, and it is understood that he has recently been in St. Catharines, Hamilton, Guelph and Kitchener, Ont., in connection with plans of the company to enter the retail field in those centres with stores which would probably not be identified by the name of Eaton at first and which are

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

April Business Volume Greatest Recorded in Post-War Period
Export Trade Registers Substantial Increase
Automobile Production Last Month Sets New Record
Merchandise Distribution Being Well Maintained

GENERAL business in Canada was in greater volume during April than in the preceding month. While business during March was generally active in most lines except perhaps the construction industry, a spotty tendency was more in evidence last month. Mineral production, for example, showed curtailment in April and the output of newsprint was in lesser volume. But the declines were more than counterbalanced by advances in such groups as the motor industry, car loadings and employment.

A weighted index of 26 factors, appertaining to business in April, compiled for The Financial Post by Sydney B. Smith, advanced from 134.8 in March to 136.0. As the index for March was the previous high point for all times, it follows that productive activity in April broke all previous records. Even after adjustment for the long-term trend, the index was also at the highest point in the post-war period, being 3.24 times the standard deviation, as compared with 3.06, the previous high points reached in March last.

Foreign Trade Trend Better

While the trend of foreign trade has been somewhat disappointing in recent months, figures for the month of April indicate a favorable change. Declining prices and active internal conditions, were mainly responsible for the heavy increase in importations during the year ended March 31st last, and consequently the favorable balance of trade declined as exports did not show a corresponding increase. During the past month, imports totaled $74,297,628, as compared with $67,801,253 in the same month a year ago, while exports increased from $60,166,868 in April, 1926, to $77,337,964 in April, 1927. Thus an unfavorable balance of over $7,000,000 has been changed to a favorable one of $3,000,000.

Although the increase in exports is encouraging, the heavier importations also have a particular significance. They indicate that internal conditions are still on the upgrade and that domestic consumption instead of decreasing or remaining unchanged, are actually increasing over what they were a year ago. Moreover, the increase in imports has also resulted in greater revenue for the Federal Government, which, if maintained during the balance of the fiscal year should result in another adjustment of taxes. Duty collected in the twelve months ended April 1925-26, totalled $120,204,737, while in the following year it was $145,524,603. For the fiscal year ended April, 1927, duty collected amounted to $159,682,526.

Motor Output Sets Record

Industrial production continues on a broad scale. The motor industry attained the largest output in its history during April, the total being 31,811 cars and trucks, as compared with the previous high point of 26,478 in May last year. It is noteworthy that the increase in production has not been brought about by any favorable change in the export situation. Purchase on the deferred payment plan has been the means of stimulating demand, but a recent survey of sales in the Dominion brought out the important fact that Canadians are purchasing cars for cash on a greater scale than formerly and that the percentage of sales on the instalment plan during 1926 only amounted to 64 per cent. of the total.

Activity in the automobile industry has been reflected in numerous allied lines. Automobile accessory and parts manufacturers report that they are doing a greater business than ever before! This is partly due to the change in tariff regulations, brought about on April 1st last. The steel and iron industry has also benefited, as evidenced by the report on production for March last, which was not only ahead of the previous two months, but also much higher than in the same month of the preceding year. Lumber, paint rubber and other industries are also reporting improved business, partly on account of the greater production of automobiles.

Goods Distribution Still High

The weekly returns of merchandise started for distribution by the railways not only give no sign of reduction in the pace of consumption as compared with this season in former years, but loadings continue to exceed those of any previous period this year, with the exception of March 12th. It is perhaps not illogical that they should run ahead of last year, for the increase in trade activity has affected new orders and the rate of new production, although actual distribution now in progress may represent the filling of orders placed in March.

As has been pointed out, the major divisions have been piling up consistent gains this year, as compared with last year. Grain and grain products have dropped off slightly during the past week or two on account of weather conditions. This is only a temporary drawback, however, which will be made up in subsequent loadings. Merchandise loadings to date have been nearly 21,000 cars more than in the same period of 1926, while coal moved has jumped from 83,711 to 118,907 cars. Pulpwood loadings also show a substantial increase, both on account of greater domestic consumption and foreign demand.

Building Permit Values Up

Building permits issued by cities, while not of any particular moment insofar as the general business situation is concerned, are of interest in that they indicate the distribution of construction activity. Returns tabulated from 63 cities during April last, aggregated $43,366,274, exceeding that of any other period since the record was begun in 1920. With the exception of Manitoba and British Columbia, all provinces reported an increase as compared with April last year. The decrease in Manitoba is attributed to the fact that last year a permit was issued in Winnipeg for the construction of a new store, valued at over $4,000,000.

The cumulative value of permits issued by the different cities during the first four months of the current year total $43,366,274. This is the highest total achieved in the past seven years. Moreover, the volume of new construction is even greater than that indicated by value, as wholesale prices of building materials have dropped from 213.4 in 1920 to the low of 147.2 for 1927.

Stetson, Cutler Has Bettered Its Position

From Our Own Correspondent.

MONTREAL.—The Stetson, Cutler Company, a wholly-owned subsidiary of the Fraser Companies, is experiencing better earnings this year. One of the reasons for the improved showing of the subsidiary, which has also been reflected in the earnings of the parent company, is that the Fraser Companies is now feeling to the full the savings which resulted from the complete co-ordination of its operations with those of the Stetson, Cutler Company. The operations of both companies have been completly combined for some time. The unprofitable Stetson, Cutler mills have been closed and considerable savings have been effected in the woods operations. The Fraser Companies, of course, by the consolidation of the two organizations some two years ago have materially improved their timber reserve position.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (April)	77,240	67,607	255,289	227,248
Steel, tons, (April)	109,107	79,936	330,659	260,394
Newsprint cwts. (April)	166,460	151,739	654,264	581,183
Automobiles (April)	31,811	21,502	88,465	78,193
Boots and shoes, pair (March)	1,787,581	1,686,665	4,705,686	4,208,075
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (April)	$18,512,196	$19,044,499	$43,366,274	$41,538,073
Labor—Employment index (Apr.)	96.2	91.4	....	....
Transportation—				
Car loadings (to May 14)	62,050	63,402	1,149,555	1,055,760
C.P.R. gross (March)	$15,433,137	$14,261,819	$13,236,009	$40,344,958
C.N.R. gross (Mar.)	$23,137,167	$23,008,874	$65,512,461	$59,047,105
C.N.R. net (Mar.)	4,385,035	$ 4,313,354	$ 7,843,631	$ 7,465,310
Population—				
Emigration (Mar.)	4,981	6,993	15,291	21,293
Immigration (March)	20,271	15,229	29,956	21,949
Trade—(April)—				
Imports	$74,297,628	$67,801,253	$338,427,091	$309,380,122
Exports	$77,337,964	$60,166,868	$345,571,370	$394,824,744
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Feb.)	1,706,237	1,120,487	3,269,233	2,329,748
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (April)	20,181,762	5,525,540	60,569,380	47,532,090
Wheat Flour, bbl.	415,209	681,777	2,966,502	3,542,281
Finance—				
Failures, number, (Mar.)	163	136	497	464
Failures, liabilities, (Mar.)	1,993,679	1,715,862	$8,095,140	$9,552,197
Bank debits (Mar.)	$2,600,367,571	$2,309,312,348	$7,512,444,519	$6,808,532,270
Bond sales (May 7)	167,619,782	290,263,037		
Stock prices index (May 7)	....	....	314.0	164.1
Insurance sales (April)	$41,631,000	$37,346,000	$157,025,000	$146,480,000
Wholesale prices (1913-100))—				
General index (April)	....	....	148.5	160.2
Pig iron	....	....	143.7	145.00
Cotton	....	....	117.0	156.9
Grains	....	....	161.6	170.2
Cattle	....	....	122.4	106.4
Rubber	....	....	65.2	78.8

Livestock Producers Enjoy High Prices

British Market Has Declined in Importance, But Producers Are Not Worrying — Trying to Get High Grade Hogs

From Our Own Correspondent.

WINNIPEG.—The British market for Canadian cattle, which seemed of such great importance during the past few years, has practically disappeared, and yet no signs of regret are shown by Canadian cattle producers, for they are enjoying higher prices than have prevailed for a long time. Last year, up to the end of May, 40,000 cattle had been shipped overseas to Great Britain. This year has seen only slightly over 7,000 shipped so far, with the movement practically dead now, and no signs of its revival as yet in sight. The steamship companies, in order to stimulate the trade, made a reduction a short time ago in the ocean freight rate from $20 to $15 per head, but that failed to have any effect on the business. Canadian cattle, to put it briefly, have been worth as much, and sometimes more, in Canada as in Great Britain, and the steamship companies might have offered to carry cattle for nothing and still have found business dull.

Reach Scarcity Situation

For years an impending scarcity in cattle on this continent has been talked of, and it now seems that such a condition has actually been reached. Low prices, and lack of profits will drive men and money out of the cattle business, as out of any other, but it takes a long time for such results to be felt. Cattle prices, since the war, have been at the bottom of the comparative scale, and each year for a long time a certain amount of liquidation has been going on, but many reasons have combined to keep the effects of liquidation from being reflected in prices.

But at last the effects show. During recent weeks, Winnipeg has been shipping cattle to Alberta. Imagine beef so scarce in the "cow town" of Alberta that it could be imported from the farmers of Manitoba! Other Winnipeg shipments of beef cattle have gone to Vancouver, the market that Alberta has considered her own particular property.

Peaks Are Far Apart

Actual sales of cattle on stockyards at Winnipeg last year to May 5th, numbered 84,140 head; this year 55,240 head. At Calgary last year, 33,819 head of cattle were sold last year, and this year 28,041; while sales at Edmonton dropped more than half, from 21,342 to 9,162. On eastern markets there has also been a drop in sales, although not so pronounced. On all markets the number of calves sold runs at high figures, in excess of those of last year, which looks like a continuance of the liquidation process. Prices right at the moment are on a profitable level, which might be expected to encourage production, but it takes the cattle business a long time to respond to stimulus. A farmer may get into the hog raising business, out again, and back once more, all in a period of two years; but the peaks in cattle production are calculated to be from 15 to 17 years apart.

The situation south of the line corresponds with that in Canada. Buyers from the United States are snatching at all the good stocker and feeder cattle available in Winnipeg, to be fitted for market in the corn belt states. The movement continues in spite of the duty of a cent and a half a pound on such cattle. Many cattle of these classes used to go to Ontario, to be finished for the British market, but the farmer in the United States is outbidding the Ontario for such supplies at the present time.

Prices on different classes of cattle are running from $1 to $2 per cwt. higher than at the corresponding time last year, making the value of different animals anywhere from $10 to $25 per head greater than a year ago. Anyone who has been paying meat bills is probably able to confirm the fact that beef prices are higher.

British Trade Less Important

A couple of years ago the Canadian livestock producer was engaged in an adventure in international trade, an attempt to capture the live cattle market in Great Britain from the Irish and to get the bacon market from the Danes. Now conditions are changed, so that the British demand is the least important factor in both the cattle and the hog markets. For the moment it might appear that a great deal of effort had developed in the co-operative efforts of farmers, Dominion and provincial governments, and the packing companies, to exploit the British demand. But conditions seem to be swinging back, so far as hogs are concerned, and this is where the Canadian packing industry is interested, because hogs for Great Britain are shipped as meat, while cattle are shipped alive.

The demand in the United States for Canadian hogs appears to be slackening, with a gradual decline in hog prices at Chicago and other markets. Although the total number of hogs at all markets this year in the United States stands at less than twelve millions, the smallest number in seven years, it is gradually gaining on last year, and before the end of the year hog production is likely to exceed that of last year. As soon as the domestic demand is overtaken, demand for Canadian hogs in the United States will disappear, and Canadian producers will again be thrown back on the British market as an outlet for their surplus.

Now Equal Danish Price

When that happens, it is to be hoped that conditions in the British bacon market will have improved. A top price of 100 shillings per hundredweight for Canadian bacon, compared with a top of 125 shillings a year ago, forms an unpleasant contrast to contemplate. The only cheerful thing about price quotations there is that, as the result of years of effort to improve the quality of Canadian production, best Canadian bacon is now quoted on an equality with best Danish, instead of at a discount of 10 shillings or more a hundredweight, as used to be the case. Continental bacon production has much increased, for, besides the new supplies of bacon now coming from Holland and from the Baltic states, Danish hog killings have advanced from a weekly average of 66,000 a year ago to an average close to 80,000. Reports, however, are that Danish producers are finding present levels unprofitable, which goes to show that not even the vaunted co-operative marketing system of Denmark is proof against the natural movement of prices.

Canadian packers are now paying a premium of one half cent a pound for "select bacon" hogs, and this is to be revised by a central Swine Committee from time to time to approximate five per cent. of the price of "thick smooths." The former premium paid was a straight ten per cent. of the thick smooth price, and it was the impossibility of keeping up that arbitrary premium that led to the recent conference at Ottawa of all interested in the swine industry. Even the present premium must be regarded as uneconomic, and as representing a continued sacrifice on the part of the packing industry, in order to prevent a slump in the production of bacon type hogs under the temporary conditions now prevailing. The packers' only hope of recovering from their recent losses is to find available a large supply of the right type of hogs when the British market again offers a large outlet.

Packer is Farmer's Friend

Occasionally a producer of hogs is heard to talk as if the packer were his enemy, and as if the packer's only object were to keep down the price to the producer. But the fact is that the Canadian packer is more vitally concerned with seeing a profitable price to the producer than is any individual producer. The farmer who does not like the price of hogs can quit the business, but the packer has to carry on, and unless prices are high enough to seem attractive to the producer, he will soon be left with insufficient supplies of hogs to keep his plant busy. Whatever price struggle there is, is between the producer and the consumer. The interests of the Canadian packer, as a processer and a middleman, are entirely on the side of the producer, when it comes to question of price.

Lake St. John on Schedule

MONTREAL—The construction work of the Lake St. John Pulp and Paper Company is being kept up to schedule both as regards the time and the cost of construction. Work on the new railway line which is to connect the site of the plant with St. Felicien is being pushed and trains will be running to Misstassini before the close of the year.

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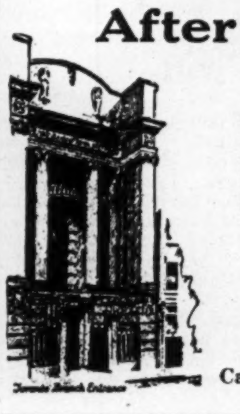

If you have a financial or business problem, you may be sure that this Bank many times has helped its customers solve just such a problem—in its four generations of experience.

This Bank solicits Business Accounts.

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Established 1832
Capital, $10,000,000. Reserves, $19,500,000.
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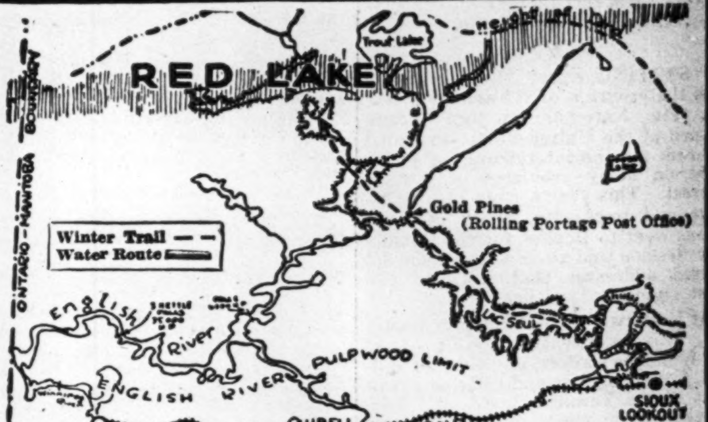

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RED LAKE GOLD FIELDS
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Branches in the North Country:

	Opened
North Bay	—1902
Cobalt	—1905
New Liskeard	—1905
Cochrane	—1909
Englehart	—1910
Timmins	—1911
South Porcupine	—1911
Kirkland Lake	—1918
Matheson	—1919
Hearst	—1919
Sioux Lookout	—1919
Kapuskasing	—1920
Connaught Station	—1922
Elk Lake	—1926
Noranda	—1927
Gold Pines	—1926
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Branch open all the year round. Sioux Lookout is a town of 2,000 people, a divisional point on the National Railway, and the supply depot for the Red Lake district.

Our established facilities and complete inter-office co-operation are at your service.

IMPERIAL BANK OF CANADA
Head Office: Toronto
A. E. PHIPPS, General Manager.

Canadian Stock Prices Keep Pace With Advance in General Business

Careful Comparison Proves Co-relation Between Two

RISE IS REMARKABLE

Index of Industrial Stocks Climbs from 124.5 in 1919 to Over 300 Now

By SYDNEY B. SMITH, Ottawa.

A difference of opinion exists among speculators as to the value of following the trend of general business. One group depends on intuition, inside information, or the technical position of the market. The other school prefers to keep informed as to the general economic situation, especially the trend of the physical volume of business. For the purpose of finding whether any relation obtains between general business and speculative values, a comparison was made between the index of general business and an index of industrial stocks. The index of general business is the weighted index of physical volume in twenty-six different lines significant of progress in the industrial life of Canada, quoted by The Financial Post each month.

As the Dominion Bureau of Statistics monthly index, based on a fixed list of industrial common stocks, has not been extended over the period previous to January, 1923, resort was had to an index of 20 stocks prepared by the writer. This index was expressed as a percentage of the average during 1913 and revised to meet the official index which was used unaltered from January, 1923, to the present time. The official index is based on 31 common stocks traded on the Toronto and Montreal exchanges and weighted according to the number of listed shares. The index so extended to cover the period from January, 1919, to the present time may be taken as a good representation of the trend of the more important industrial stocks in the post-war period.

Other influences such as money rates and the trend of speculative values on the New York exchange, affect the trend of industrial stocks in Canada, but it is evident from the experience of the last eight years that the physical volume of business within our borders is an important determining factor. A change in the index of general business, according to the best estimate we can make from the available data, betokens sooner or later a similarly directed change in the index of industrial stocks.

The index figures used are as follows:

Index of Industrial Stocks in Canada
(1913 equals 100)

	1919	1920	1921
January	124.5	145.4	125.0
February	124.5	141.5	125.4
March	125.6	141.5	123.4
April	128.0	140.9	122.4
May	130.8	139.2	122.6
June	133.6	142.0	117.6
July	135.6	146.0	114.0
August	134.1	141.0	113.6
September	138.4	141.0	114.0
October	143.3	134.9	117.6
November	144.1	125.1	120.3
December	144.2	120.4	119.0
	1922	1923	1924
January	117.8	151.2	157.7
February	129.1	155.5	160.1
March	122.6	160.1	158.4
April	122.1	160.0	152.2
May	133.4	157,3	151.2
June	132.9	156.9	151.2
July	132.7	149.9	151.9
August	138.0	150.2	155.4
September	141.2	149.6	158.4
October	143.2	148.6	156.1
November	143.9	148.2	158.3
December	144.7	151.5	161.9
	1925	1926	1927
January	168,5	234.8	280.8
February	178.2	251.5	287.7
March	176.7	240.0	294.0
April	176.7	236.4	306.2
May	181.2	231.6	....
June	185.0	238.0	....
July	190.7	245.6	....
August	204.3	258.2	....
September	206.8	269.6	....
October	217.0	265.0	....
November	216.3	271.6	....
December	222.0	273.3	....

How Business-Stock Chart Was Drawn

For the benefit of those interested in the technique of chart making, Sydney B. Smith describes the manner in which his very striking comparison of stock prices and the business trend was arrived at:

The first step in the comparison of the two indexes was to plot the curves without adjustment on a single chart. As the maximum range in the index of industrial stocks was 192 points, as compared with 53 points, the maximum range in the index of general business, it was necessary to place the industrial stocks index on a much smaller scale, one point of the general business scale being shown as equivalent to 3½ points of the other index. The minimum of the general business curve was reached in July, 1921, when the index was 83, as compared with a maximum of 136.0 in April, 1927. The minimum of 114 for the index of industrial stocks was touched in August, 1921, and the maximum of 306 was attained in April last. It was no mere coincidence that the minimum and maximum points coincided so closely, for this intimate relation was characteristic throughout the period. No pronounced movement of either index was shown which was not unmistakably reflected in the other.

Adjusting the Curves

Although the plotting of the unadjusted indexes discloses a substantial relation between the two curves, an exact measure of the correlation may only be obtained through mathematical process. The first step was to fit to the index of industrial stocks, a curve corresponding to the long term trend. An examination of the data led to the conclusion that a single straight line would not adequately fit the trend of stock prices in the post-war period. Although the trend was upward during the period as a whole, in the last two or three years the upward tilt of the index was so pronounced that the change could not be attributed to cyclical causes alone: It was therefore decided to base the slope of the secular trend line during the first part of the period on the yearly averages from 1919 to 1925, and during the latter part of the period on the yearly averages from 1920 to 1926. From January, 1919, to September, 1922, the monthly increment according to this method was 0.75 points, while from the latter part of 1922 to the present time the monthly increment was 1.5 points.

In view of the convex shape of the industrial stocks curve a test was made with a parabolic curve. During the central part of the period from 1920 to 1925 the results attained with this curve were excellent, but the fit in 1919 and 1926 was far from efficient. As it was desirable to choose the line which would probably make the best fit in future months, the straight line curves were chosen for the present purpose.

Arrived at Comparable Basis

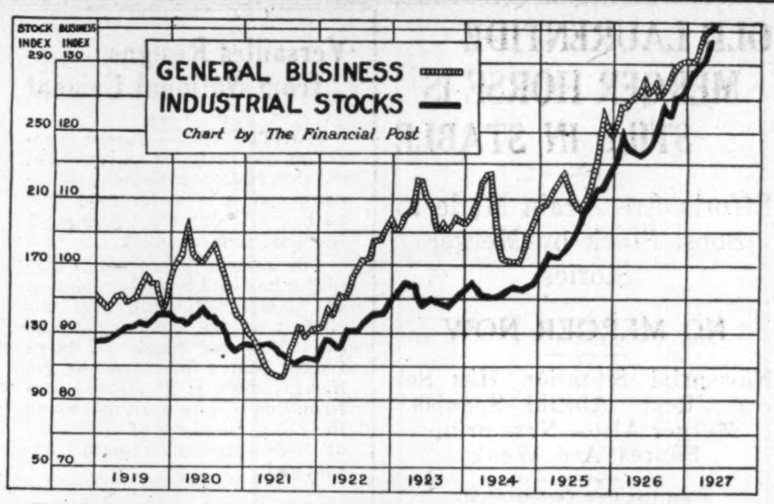
The next step was the computation of the differences of the original data of the index of industrial stocks prices from the line of secular trend, and expressing these differences as multiples of the standard deviation. The result was an index of industrial stock prices on a comparable basis with the index of general business as shown in the lower section of the chart which accompanies this article. The close relation in the movements of the two indexes was very well demonstrated when they were plotted on the same chart. The only essential difference between the adjusted and the unadjusted curves being that the swings of the cycle are more pronounced in the adjusted form.

Although the word correlation sounds somewhat technical when introduced into an article of this kind, yet in a broad sense the human mind is continually engaged in establishing correlation between different classes of phenomena. In fact, the mind has been called the organ of correlation, performing its highest function through the discovery of interrelations. The business man is continually called upon to make such comparisons and can only hope to draw the proper conclusions when furnished with the most efficient information.

Changes Are Definite

By comparing the two indexes in question, it was found that the correlation for concurrent data was .92. In other words, the correlation between the two indexes was not far from perfect, such a state would be represented by 1.00. The mathematical calculation confirms the conclusion reached by the examination of the charts and lends definiteness to the result.

The question is raised at this point as to whether a greater degree of correlation might have been shown by some other comparison of the two indexes varied from the viewpoint of time. In other words, do the changes in the index of general business tend to precede or to follow the changes in industrial stocks. By making a compilation with the index of industrial stocks preceding and lagging behind the index of general business for one, two and four months, respectively, the greatest degree of correlation was shown when concurrent data were taken. When the index of industrial stocks preceded the other index by one, two and four months, the coefficients of correlation were .88, .85 and .84 respectively. When the index of industrial stocks was lagged behind the index of general business one, two and four months the coefficients were .89, .86, and .71 respectively. The correlation is a maximum for concurrent data and shades off gradually, as one index is compared with the other when varied by a lead or lag of from one to four months.



This chart represents the result of a scientific effort to compare graphically the trend of business in Canada and the movement of idnustrial stocks. The direct relation between the two factors is at once apparent.

The Trend of Business

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FOLKS and Finance

WITH the Conservative party preparing to choose a new leader, it is interesting to go back a few years to the time when Sir Robert Borden resigned and it became necessary to choose his successor. There were many applicants for the job and some who were offered the position and refused to take it. One of the latter was Sir Thomas White.

During the hectic days when the matter of making the selection was very acute, it was suddenly discovered that Sir Thomas White was not to be found. The newspapers were completely at a loss to know where he was. They searched Ottawa, Toronto and Muskoka without success and sent innumerable reporters to his house to find him. White held the key to the mystery; if he wanted the Conservative leadership and the premiership it was his for the asking. Naturally the newspapers were anxious to find out what he was going to do.

One night, the acting night editor of the Canadian Press in Toronto received a telephone message. "Sir Thomas White is speaking," he heard. "I have a statement to make but I do not want anyone to know where I am. Will you send someone over to my home for it."

That was where Sir Thomas White had hidden for several days; in his own home. Moreover, the secret was not revealed even when he made his statements. Even the daily papers that got the statement from Canadian Press did not learn where it had come from and they continued their vain search for a man who was in his own home.

Cornwall is now nearly a city. A rise in population during the year of 400 has brought the total to 9,525.

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What's Wrong With Shorthand?

Executives Say:—

"I'm forced to cut dictation short."

"If she could only take it as fast as I think."

"She can't help me with other things."

"If I could only dictate while it's fresh in my mind."

"Pshaw! she's gone. I'll have to wait till tomorrow."

"I had all this clear in my mind last night."

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JAMES ELDER

Manager and Treasurer, Canadian Hanson & Van Winkle Company, Ltd., Toronto, says The Dictaphone keeps a man's desk and mind unloaded.

Instant availability is its other name

"Things get done when The Dictaphone's at your elbow. Depend on shorthand and they are sure to accumulate."

What's Wrong With Shorthand?

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"Those awful waits while he chats over the phone."
"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell-hop."
"These endless notes make me dizzy."
"I'm **sure** he said that, but . . . ."
"Yes, I do mind staying late."
"Cold notes are maddening."
"No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

Gertrude Simmons
Secretary to Mr. Elder, completes letters more easily and rapidly with The Dictaphone.

That's ONE good reason why James Elder uses this modern time saver. Read his other reasons. Then decide to try it YOURSELF, using coupon,

"CONVENIENCE of starting dictation instantly whenever you want to is a worthwhile thing in itself. Add to that the benefit of doing a thing while all facts are fresh in mind and you begin to appreciate why The Dictaphone helps us so much.

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It's James Elder, Manager and Treasurer of the Canadian Hanson & Van Winkle Company, Limited, who says this—and he knows whereof he speaks. He continues:

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Gertrude Simmons, Secretary to Mr. Elder, declares: "Like so many girls who learned shorthand, I was once prejudiced against The Dictaphone. Only recently have I come to realize fully how much it helps me to be a real secretary.

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Head Office: 26 King Street East
TORONTO 2

BREWING STOCKS MAY RISE WITH MARKET OPENING

Ontario Government Stores Soon to Open — Issues Somewhat Neglected

MONTREAL.—The announcement that seven, or possibly eight liquor stores will be opened by the Ontario Liquor Commission in Toronto on June 1 will probably revive public interest in the brewery stocks, which have been somewhat neglected recently.

Two stores are also to be opened in Hamilton on the same date, while eventually Toronto will possess fifteen stores which will all be uniform in appearance and, following Quebec precedent, will probably be painted white.

In the market movement which followed the tidings that Ontario was to relinquish the O. T. A., most of the public attention was concentrated on the distillery stocks, while the brewery issues, though new issues were well received, failed generally speaking, to respond in a similar manner. In part this may be attributed to the decision again sales of intoxicants in hotels with meals and in taverns. However, several other favorable factors in the operation of the new act it is now seen will tend to work advantageously towards the established breweries producing well known brands of beer, and stocks in these companies are likely to attract more attention in future.

Beer at Standard Price

It is now announced that there will be only one standard price for all brands of beer throughout the province, with the exception of the districts north of Sault Ste. Marie, Sudbury and North Bay, in which there will be a surcharge on certain classes of package. This will mean in effect that the profits of individual breweries will depend mainly on the efficiency of the management in keeping down the ratio of overhead to gross profit. In other words the large units are more likely to have better success than the smaller ones in which the expense of management has to be spread over a smaller gallonage. It is now practically certain that in the small centres of population stores will be opened for the sale of wines and beer only. Whether this will entail the opening of government stores is as yet undetermined, but it is highly probable that some system approximating to the grocers license plan now being used in Quebec will be evolved before long.

Will Lower Prices

A step in the direction of encouraging the consumption of light beer is seen in the decision to place "4.4" in the class of soft drink beverages, and to remove the ten cents per gallon tax on its manufacture. Licenses for the sale of "4.4" will, it is stated, be granted for merely nominal fees to drug stores, candy shops and soda fountains.

The removal of the federal impost of 12½ cents which is also being agitated for, as well as the provincial tax, will enable the board to sell this class of beer at a very low price, probably, at the cost price of 5 cents a glass.

The general beer price list has been planned it is believed with the Ferguson pre-election promise of beer at ten cents a bottle in view, though actually the figure will be nearer fifteen cents.

During the past month or so there has been much feverish preparation throughout the beverage industry in the province. Most of the companies are now in a good financial position.

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278.
The Partners Personally Advise as to Investments.

Quality
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Yonge at Adelaide
TORONTO

BELL TELEPHONE CO. IS OFFERING BONDS

Proceeds Will go to Repayment of Bank Loan and Developments

MONTREAL. — The special general meeting of the Bell Telephone Co. of Canada gave its unanimous approval to a by-law authorizing an issue of bonds, debentures or debenture stock up to $30,000,000.

An immediate offering is being made by a Canadian and American syndicate, headed by the Bank of Montreal, of $10,000,000 first mortgage 5 per cent. gold bonds, series B. Including the present issue, the first mortgage bonds outstanding will be $40,000,000. The security behind this is a book cost of real estate, buildings and telephone plant amounting to $112,800,000. The actual market value greatly exceeds the book value.

Proceeds of the present issue will be utilized to repay the company's bank loan and for further construction. The company has been going ahead rapidly with its extensive plan for replacement of the old manual telephone with the new automatic system. A large part of the system in Montreal and Toronto has already been converted, but there is still several years' work ahead of the company before the work is finally completed.

The particulars of the bond offering follow:

$10,000,000
Bell Telephone Co. of Canada
First Mortgage 5% Gold Bonds, Series B
Dated June 1, 1927 Due June 1, 1957

Company—Operates and owns an extensive telephone system in the provinces of Ontario and Quebec.

Purpose of Issue—Repayment of bank loan and to take care of developments.

Capital—
(Upon completion of present financing)

	Authorized	Outstanding
Cap. Stock, par $100 ...	$75,000,000	$49,080,400
First Mtge. 5% Gold Bds.—		
Due Mar. 1, 1955, ser. A	30,000,000	30,000,000
Due June 1, '57, ser. B	30,000,000	10,000,000

Security—First mortgage on all real estate, buildings and telephone plant, book value of which, at the end of 1926, was approximately $112,800,000, or over 2¾ times the $40,000,000 first mortgage bonds.

Net Earnings—Average in past five years totalled $4,502,525 applicable to bond interest, or 3.98 times bond interest requirements.

Dividends—On capital stock at the rate of 8 per cent. have been paid continuously since Jan. 1, 1891.

Offered—At a price of 102.50 and accrued interest, yielding about 4.85 per cent. by the Bank of Montreal, Lee, Higginson and Co., Harris, Forbes and Co., Royal Bank of Canada, Wood, Gundy and Co., Royal Securities Corporation, A. E. Ames and Co., Greenshields and Co., Dominion Securities Corporation, Drury and Co., Kerr, Fleming and Co., National City Co., Hanson Bros., Nesbitt, Thomson and Co.

GRAND TRUNK STOCKS

The London board of the Grand Trunk Junior Stockholders' Protective Committee, having secured a copy of the names and addresses of all the junior stockholders registered in the books of the Grand Trunk Railway Company of Canada in 1923, is now making arrangements to maintain a complete register of outstanding certificates, so that the claims of the junior stockholders against the company may be perpetuated.

After careful inquiry, the protection committee has decided to recommend a revaluation of the certificates of the Grand Trunk Railway Company at £10,000,000, so that the interests of the four classes of junior stockholders may be united on an approximate valuation of: first preference stock at £80; second preference stock at £60; third preference stock at £25; ordinary stock at £10.

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OLD LAURENTIDE MERGER HORSE IS STILL IN STABLE

Efforts Are Again Made to Boost Stock by Merger Stories

NO MERGER NOW

Newsprint Situation Has Set at Rest Abitibi - Spanish Merger Also—Newsprint Shares Are Weak

From Our Own Correspondent.

MONTREAL.—Even again efforts seem to be on foot to drag out from the stable the old Laurentide merger horse. The efforts of those who are endeavoring to bring about a quick rise in the shares with the inevitable sag back to their normal level are reminiscent of the old sea chantey: "Poor old man, your horse is dead."

From those in a position to know the situation, The Financial Post learns that there is no possibility of Laurentide entering a merger at the present time. Despite this, some financial bulletins have not hesitated to indicate that the stock is due for an immediate rise and from other quarters gossip has originated indicating that merger negotiations are in progress.

Laurentide shares have of late been changing hands at a figure more or less in line with the shares of other newsprint companies. The recent rise to 115 left a lot of stock in the hands of those who were swayed by the merger rumors of some months ago and who bought the stock at the higher levels.

Now Wish To Unload

There is no reason to doubt that when Laurentide shares did rise that some merger negotiations were in progress at that time. The recent efforts to again boost the price of the stock are generally thought to be due to the efforts of those who bought it as a speculation at the higher figures and who have lost out on their gamble.

It is generally thought that with the situation which exists today in the newsprint industry that further mergers are still a long way in the future. One effect of the slowing up in the production by all the mills has been to kill effectually the Spanish River-Abitibi merger story. Any immediate revival of the Laurentide merger gossip therefore is probably traceable to those who wish to increase the price of the stock merely to sell out their holdings.

As far as the value behind the shares of the company is concerned, Laurentide is in exactly the same position as it was six, three or one month ago. The management is the same and the control of the undertaking lies in exactly the same hands. The physical condition of the property has probably been improved somewhat as it has always been the endeavor of the management to better the position of the company, steadily.

All Newsprint Stocks Off

On the other hand, one of the factors combining to appreciate the price of the stock on the market from its recent inflated level has been the overproduction situation which has affected, not only the Laurentide shares, but the shares of every newsprint producer on the market. There is nothing to indicate any increase in the prices of the newsprint securities immediately—the newsprint stocks as a group will only rise when the consumption of newsprint in the United States once again equals the productive capacities of the mills on this continent.

Any immediate talk or gossip indicating market appreciation in Laurentide—or any other of the newsprint stocks—therefore seem to be out of place. The securities of these companies if purchased at present should be purchased for the long pull and not with the idea of obtaining a quick turnover. In investment circles it is felt that there may be still further declines in the newsprint stocks before the demand for newsprint paper increases sufficiently to warrant an increase in the price of newsprint shares.

Canadian Western Lumber

The Canadian Western Lumber Co. reports sales of lumber for the month of March amounting to 13,548,487 feet, realizing $303,438, which compares with 11,140,183 feet, realizing $295,799 for the same month in the previous year.

Aggregate sales for the first three months of the present year at 31,198,197 feet realized $688,498, against 34,666,400 feet, realizing $841,977, for the corresponding period last year.

Stock Market

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of May 25	98.7	96.1
Week of May 18	98.5	95.9
Month of May, 1926	75.2	69.7

9 Bank Stocks

	High	Low
Week of May 25	$242	$241
Week of May 18	242	239
Month of May, 1926	224	222

10 Public Utilities

	High	Low
Week of May 25	112	110
Week of May 18	112	110
Month of May, 1926	94	90

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch..	Total
Banks	6	2	1	9
Paper	5	4	5	14
Steel	14	7	19	40
Foodstuffs	13	15	16	44
Utilities	8	7	15	30
Tractions	4	5	4	13
Industrials	10	15	31	56
Textiles	5	4	9	18
Total	65	59	100	224

Versailles Resigns from National Cement

MONTREAL. — Joseph Versailles has resigned as president of the National Cement Company and it is understood that he has sold out his holdings of National Cement stock.

The resignation of Mr. Versailles has lead to the circulation of rumors indicating that the control of the company would pass into the hands of large United States interests. As yet though, there is no official confirmation of any such move and the other members of the board of the company remain unchanged.

LOWER EXPORT DEMAND AFFECTS FLOUR OUTPUT

Canadian Millers Meeting Stiff Competition in Europe

Declining flour production, is one of the principal and probably the most adverse factors in present manufacturing activity. For some time past, millers have been complaining of a lack of export demand, particularly from Europe. Labor troubles in England have been given as the cause for smaller exports, but return to normalcy in that country with fair increase in demand, makes it evident that other causes are working to the disadvantage of the flour trade in that country.

While the United States harvested one of the largest wheat crops in its history last year, domestic consumption accounted for a large percentage, so that the amount available for export was not unusually more than in other years. Milling in bond by Buffalo mills has been going on actively and this has cut into some of the Canadian foreign markets for wheat flour. But this is said not to be the primary cause of the loss of business. A prominent officer of one of the largest companies in Canada is of the opinion that the reason is due to the larger production of German millers, who have been receiving Canadian wheat on consignment and paid for at lower prices than that prevailing on Winnipeg exchange. This gives them an advantage, which enables them to mix their soft wheat with Canadian hard and sell flour in competition with Canadian millers.

Output and Exports Lower

In the twelve months of 1924, production of wheat flour amounted to 18,564,000 barrels, or an average of about 1,600,000 a month. The following year output increased slightly to 18,965,000 barrels. In the last three months of 1926, production totaled 2,231,000, 2,089,000, and 1,715,000 barrels, respectively. The opening month of this year saw output touch the 1,496,000 barrel mark. While this is more than in January of last year, it is less than in the same month of 1925 and 1924. Production in February last, the latest month available, was only 1,231,000 barrels. Except for August and July of last year, when output was 1,044,000 and 1,228,000 barrels, respectively, this is the lowest production recorded in the past thirty-eight months.

Export figures during the eight months ended March, 1927, reflect the slowing up of production. Shipments in that period amounted to 6,732,247 barrels, valued at $45,025,337, as compared with 7,481,196 barrels, worth $50,021,800 in the corresponding period of the previous year. It is estimated that exports of wheat flour for the full crop year of 1926-27 will be about one million barrels less than in 1925-26.

Oriental Trade Good

Last year, a large volume of flour was shipped to Brazil, due to the partial failure of the wheat crop in the Argentine. This year, Canadian millers have not the Brazilian market. The Oriental market has been gaining in importance, and the Maple Leaf mills in Western Canada are said to have sufficient orders on hand for movement to the East to keep them working to capacity until next month. Smaller demand from European countries has been mainly responsible for the drop in exports and consequent slowing up of production, and until Canadian millers can retrieve markets lost through competition with American and German millers, there is no likelihood of any pronounced improvement in the export situation.

Mortgage Finance Has Made Good Progress

From Our Own Correspondent.

MONTREAL.—The first annual balance sheet of the Mortgage Finance Corporation for the twenty-month period ending April 30, 1927, shows that the company has made extremely satisfactory progress during the initial period of its operations.

The net profit for the period, before bond interest, amounted to $25,610. The company also has a reserve for discount on mortgages of $14,470. After deducting interest charges on the outstanding bonds, the earnings of $8,720 were carried forward to profit and loss account.

The earnings on the 28,000 shares of no-par value stock during the period amounted to $31 per share. The balance sheet shows that the company has outstanding in bonds a total of $378,542, and that the common stock is carried on the books at $140,000; the goodwill item amongst the assets is carried on the books at the same figure as the common stock. During the period, over $2,000 was written off deferred charges, and this account now stands at $53,517.

RAILWAY EARNINGS

Canadian Pacific

Week end:	1927	1926	Change
May 21	$3,193,000	$3,622,000	—$429,000

Pay Dividend Soon on Stocks of H. Walker

An initial dividend will be voted within a week or two on the Hiram Walker distillery stock.

Earnings of the company have exceeded expectations when the present group took over the property a few months ago. The export market to countries which do not prohibit import of liquors remains good and the company, it is understood, has received a substantial order from the Ontario liquor board.

The future of the company, in the opinion of some observers, is assured, with demand increasing and the policy of consistent grading and distillation firmly fixed. Certain of the insiders, it is said, have been buying back stock at higher prices than they sold it for some weeks ago in the belief that the stock market had discounted the future as much as it could be discounted.

Flood is Helpful to Seaman-Kent Business

Hardwood prices, more particularly prices on red and white oak, have increased from $6 to $10 the thousand board feet owing to the floods in the lower Mississippi valley which have swept away vast quantities of hardwood.

Seaman-Kent Co., Toronto, largest manufacturers of hardwood flooring, etc., in the Empire, are affected favorably by the rise in price. Earnings for the six months ended December 31st, were approximately three times the interest on the 7 per cent. bonds. These bonds mature in 1944.

METROP.

It is announced that every office in the Metropolitan Building, Toronto, is rented. For the nine months ended April 15, operating profit of the building was $99,284, as against first mortgage bond interest of $55,812. Sinking-fund payments of $1,280 a month have been set aside since July 15, last for the redemption of the first-mortgage bonds.

It is said, further, that rents for high-class office space in Toronto are inclined upward.

Mexican Light Financing Approved by Bondholders

Five and six per cent. bondholders of Mexican Light and Power Company, in London, have passed the resolutions submitted by the board of directors.

The next step in connection with the capital reorganization of the company was the meeting of preferred and common shareholders at the head offices of the company to ratify resolutions having to do with settlement of dividend arrears on preferred stock and the changing of common stock from $100 par to shares of no par value.

It is understood that, as a result of the reorganization, preferred stock will be placed on a regular dividend basis, and the way will be paved for dividends on the common stock at an early date.

DEAN IS ELECTED

MONTREAL. — The Montreal Stock Exchange announces the election of Reginald H. Dean as a member. He had previously been elected a member of the Montreal Curb Market. Mr. Dean is well known in financial circles and is a member of the Nesbitt-Thomson organization.

Harvie Mining Stock Feature of Unlisted Section

Harvie was the outstanding feature on the Montreal Curb during the past few days. This is the second time that an unlisted stock has become a market feature, the first being Noranda which was taken up by the Exchanges and traded in on the unlisted section. Like Noranda, the Harvie stock only came into prominence after it had achieved a background of property development and it comes as a surprise to some sections of the public that a Quebec operation has slipped quietly into a place on the scale of operations second only to Noranda.

It is evident from the keeness of bidding that the public are beginning to appreciate the possibilities of the huge Harvie Archean operations in Clericy. Over a hundred men are employed by the company on four distinct mining operations on an area of over four miles long. Each one of these operations shows promise of being a mine.

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DO YOU VALUE RELIABLE INFORMATION?
Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.
DID YOU GET YOUR SHARE?
Two years ago we advised the purchase of Teck-Hughes at $1.35. Now the mine has entered the dividend paying stage and the stock is selling above $7.50.
At the present time, we strongly recommend a LISTED stock, representing a WORKING property and selling right now below TEN CENTS, which we certainly believe has a brilliant chance to make good.
If you are interested in mining, and would like to know what this stock is, and why we recommend it, write your name and address on a post card, and mail it to us.
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June Dividend Payments

Summary of Payments

Dividends	$20,508,868
Bond Interest	20,134,620
Total	$40,643,488

Dividend Payments

Company	Rate	Date	Amount
Anticosti Corp., pref.	1¾q	1	$52,500
Barcelona Tr., com.	1	30	137,250
Do., pref.	1¾+1q	30	639,344
Brazilian Tr., com.	1½q	1	1,065,837
B.C. Fish	$1.25q	10	124,510
Do., pref.	1¾q	10	43,578
Bank of Toronto	3q	1	150,000
Bank of Montreal	3q	1	897,501
Banque Can. Nationale	2½q	1	137,500
Belding Corticelli, pref.	1¾q	15	15,142
Can. Bakeries, 1st pref.	1¾q	15	17,325
Do., 2nd pref.	1¾q	15	17,500
Can. Bank of Commerce	3q	1	600,000
Can. F. & Forg., pref.	2*	1	19,200
Can. Pac. Rly., com.	2½q	30	6,500,000
Confederation Life	5q	30	5,000
Crows Nest Coal	1½q	1	93,189
Can. Westinghouse	30	20	2,229,807
Continental Oil	25cq	15	876,297
Cosgrave Brew.	1¼q	1	12,500
Dom. Radiator, pref.	1¾q	1	27,097
Dom. Rubber, pref.	1¾q	30	52,500
Dom. Life	4q	30	8,000
East Koot. Pr., pref.	1¾q	15	13,125
Fam. Players 1st pref.	$2q	1	84,018
Hamilton Dairies, pref.	1¾q	1	13,125
Hollinger Mines	2m	..	492,000
Imperial Oil	25c+12½c	1	2,452,273
Imperial Tobacco, com.	1½q	..	487,354
Inter. Nickel, com.	50cq	30	836,692
Inter. Milling, pref.	1¾q	1	39,946
Lake Shore Mine	10+10†q	15	400,000
Lake of Woods Mill., com.	3q	1	105,000
Do., pref.	1¾q	1	26,250
Loblaw Grocet., com.	25cq	1	43,450
Do., pref.	1¾q	1	10,837
London Life Ins.	4q	30	4,000
London Loan	1¾q	30	15,600
McColl Bros.	20cq	1	72,000
Do., pref.	1¾q	1	17,500
McIntyre Mines	5q	1	199,500
Montreal Cottons, com.	1½q	15	45,000
Do., pref.	1¾q	15	52,500
Montreal Loan	8%	15	18,000
Ogilvie Mill, pref.	$1.75q	1	35,000
Ottawa & Hull Pr., pref.	1¾q	15	26,250
Port Hope Sani., com.	¾q	1	5,620
Do., pref.	1¾	1	4,364
Port Alfred Pulp, pref.	1¾q	15	70,000
Premier Trust	2¾s	30	4,400
Provincial Banks	2¼q	1	90,000
Royal Bank	3q	1	732,000
Royal Trust	4q	30	40,000
Sher.-Williams, com.	1½q	30	60,000
Do., pref.	1¾q	30	60,112
Viau Biscuit, 1st pref.	1¾q	1	17,500
Volcanic Oil	63c	10	68,000
Wayagamack	75cq	1	75,000
West. Can. Flour, com.	35cq	15	30,187
Do., pref.	1⅝q	15	40,625
Total			$20,508,868

q—Quarterly.
s—Half-yearly.
m—Monthly.
*—On arrears.
†—Bonus.

Bond Interest Due in June

Company—	Rate	Int. Date	Due	Amount
Algoma Steel	5	1	1944	$145,000
Barc. Tr. Pr. Lien	6½	1	1965	442,864
Do., 30-yr.	7	1	1951	129,108
Do., 1st Mtge.	5½	1	1974	235,149
Can. Car, 1st Mtge.	6	1	1939	108,246
Do., Scrip	6	24	1927	14,250
Can. Pac. Rly.	4½	15	1944	653,436
Dominion Glass	6	2	1933	31,980
Donnacona Paper	6	1	1940	86,145
Frontenac Brew.	6	1	1951	29,958
H. Smith Paper	6	1	1934	11,622
Imperial Tobacco	7½	30	1971	176,803
King Ed. Hotel	8	1	1963	134,000
Loew's Theatre	6	1	Serial	10,320
L. Sup. Cp. 1st Me.	5	1	1944	131,950
Montreal Steel	6	1	1940	14,250
Mont. W. & Pr.	4½	30	1932	106,881
Do., 1st Mtge.	5	30	1932	20,777
N.S. Tramways	5	1	1946	56,250
North. Can. Power	6½	1	1938	146,250
Do., Pref.	6	1	1945	180,000
Northwest. Utilities	7	1	1938	113,750
Ogilvie Fl. "A"	6	1	1932	30,000
Do., "B"	6	1	1932	22,500
Do., "C"	6	1	1932	18,000
Ottawa Electric	5	1	1933	15,625
Ottawa River Pr.	6½	.	1949	130,000
Ottawa-Ml. Power	6½	1	1949	48,750
St. Law. Sugar	6	1	1932	39,000
St. M. V. Cp. "A"	6	1	1945	187,995
Standard Clay	6	2	1942	18,384
Quebec Rly., L., H.	5	1	1939	228,775
Sao Paulo Tram.	5	1	1929	150,000
St. M. V. Cotton	6	1	1952	66,369
Shawin. W. & P.	5½	1	1950	165,000
Shawin. Cotton	6	1	1949	26,700
Trinidad Elec.	5	1	1931	18,000
Wabasso Cotton	6	1	1947	24,630
West. Koot. P.	6	15	1943	50,955
Corporation Bonds				$4,219,672
Municipal Bonds				*4,062,500
Provincial Bonds				*3,199,032
Victory Loan	5½	1	1927	1,744,523
Do.	5½	1	1937	6,498,217
Dn. L. P. in Lon.	3½	1	1909-34	410,676
Total				$20,134,620

xFigure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & 1 com.	.	4
Do., 1 pref. and 2 com.	3	5¾
Can. Machinery, com.	5	7
Can. Westinghouse, com.	195	..
Chase, A. W., com.	6	10
Do., pref.	70	80
Goodyear Tire, 6% pref.	99	101
Gunns, Ltd., pref. (new)	102	..
King Edward Hotel, Deb. A.	78¾	80
Farmers Dairy, com.	70	80
King Edward Hotel, Deb. B.	70½	72
Loew's Buffalo, pref.	38	43
Nat. Grocers, 1st pref.	94	98
Nat. Grocers, com.	1	4
Continental Life, 20% paid	45	55
Crown Life	190	..
Empire Life	30	33
Excelsior Life, 20% paid	76	85
Great West Life	425	450
Monarch Life, 10% paid	39	42
Mortgage Discount, pref.	6	6½
Ontario Equitable	27	30
Security Life, 40% paid	..	28
Sun Life, 75% paid	1000	1100
Toronto Finance, pref.	3½	4½
Canada Life	900	925
Capital Life, 20% paid	23	..
Farmers Dairy, pref.	103	107
Dom. Combing Units	15	25
Dom. Sewer Pipe	53	56
Fanny Farmer, com.	27	29
Do. pref.	29	31

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108¾
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do., pref. 5s '39	104	...
Bfo N & E Pow 5s '30	100	101
Lockport L H & P 5½ '54	102½	...
N. F. 1st & com. 6s 1950	105	106
STOCKS		
Niagara Falls Pw. pf.	28½	29½
Niag. Lock & Ont. pf.	113½	115

Stock Market Record

WEEK ENDING MAY 23

	Div. Rate	Yield May 21	High for wk.	Low for wk.	Close May 23	Close May 17	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	5.34	243½	242	244	243½	113	248	228
Dominion	12+1	5.70	230	228	230	227½	105	230	217
Can. Nationale	10	6.17	162½	162	162	163	3	165½	160½
Imperial	12+1	5.90	220	218½	220	219	58	222	214
Montreal	12+2	4.68	299	298	298	298	188	299	272
Nova Scotia	16	4.95	324	322	324	320	185	324	298
Royal	12+2	5.12	2.73½	270	273½	272	219	273½	257
Standard	12	5.94	203	202	202	203	40	207	196
Toronto	12	5.21	230	229	230	227	25	238½	227
Paper—									
Abitibi, com. (no par)	5	5.61	90½	89	89½	89	1244	94	82
Do. pref.	7	5.98	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.84	103	102	103	102	50	105	101
Brompton (no par)	$2	6.25	32	31¾	32	32	1500	35	31
Fraser, pref.	7	7.21	97	96¾	97	97	25	98	96¾
Inter. Paper, com.	$2	5.00	40⅝	39½	40¼	40¼	12700	60⅞	39½
Laurentide	6	6.38	95	92	92	93½	2186	110¾	92
Price Bros., com.	2	3.63	56	53½	53½	55	933	63	53½
Do. pref.	6½	6.37	102	102	102	101	120	104	100
Pro. Paper, pref.	7	6.04	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	62½	62	62½	62	37	68¾	60
Do. pref.	8	7.27	110	110	110	110	126	110¼	103½
Span. River, com.	7	7.00	100	98¼	98⅛	100	235	102¾	98
Do. pref.	7	6.08	115	113¼	113	114	137	116½	110¼
Wayagamack	$3	5.66	53¾	52½	53¾	53½	380	59	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	70	1⅝	½
Do. 1st pref.	.	...	21	20	21	20¼	730	22¼	10
Do. 2nd pref.	.	...	2½	2	2¼	2½	265	4	1
Can. Car & Found., com.	.	...	43	42	42	41	165	50¼	38½
Do. pref.	7	7.54	93	91	92½	90½	1720	94½	88
Can. Fairbanks, pref.	6	6.74	..	...	...	...	...	89	80
Can. Forgings, com.	.	...	23	23	23	25½	25	27	18
Do. pref.	.	...	85	85	85	85	35	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	51½	50
Do. pref. (par $50)	7	5.83	60	59	59¾	59	112	60	56
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	60	57½	60	55	50	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.33	84	84	84	84	10	89	84
Dominion Bridge	4+2	3.17	189½	184½	184½	186	4965	193	116¾
Dominion Coal	.	...	83	83	83	83½	15	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	101
Dom. Steel Corp., pref.	.	...	29¼	29¼	29¼	29¼	110	29¼	20
Ford Motor	15	....	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	14½	13	14½	12⅞	807	15	9⅞
Do. pref.	7	7.86	89	89	89	87¼	10	95	87¼
Massey-Harris, com.	.	...	38¼	36	38⅛	36⅛	39650	38½	29
Do. pref.	7	6.45	108¾	108¼	108½	108⅛	670	109¾	103½
McKin. Ind., c. (no par)	.	...	24¼	24	24	24¼	113	25½	15
Do. pref.	7	7.21	97	96¾	96¾	96½	53	97	93¼
Do. Vot. Trust	.	...	24½	24	24¼	24½	575	26	15
Ontario Steel, com.	4	5.40	..	...	...	...	...	78	73
Do. pref.	7	6.91	..	...	...	...	...	103½	100
Page Hersey, com.	$3	4.00	74	69	73⅝	69½	9070	75½	53½
Do. pref.	7	4.69	150	139	148	139	1587	150	116
Pressed Metals, com.	.	...	45	42½	45	42½	235	46¾	34¼
Do. pref.	7	8.04	87	87	87	87	50	87	85
Russell Motor, com.	3	5.60	..	...	...	...	...	53½	52
Do. pref.	7	7.36	95	94	95	94	75	97⅛	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.36	131	130	131	129⅞	296	136	117
Do. pref.	7	5.14	136	136	136	137	55	137	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	21	20	21	21¼	234	27¼	19½
Do. pref.	7	7.91	88⅞	88½	88½	89	185	92	87½
Arnolds, com. (no par)	.	...	20	18	20	18½	191	26	16¾
Do. pref.	7	7.95	88	85	88	90	30	95	84
Atlantic Sugar, com.	.	...	29¼	28¾	29¼	28¾	470	32	24½
Do. pref.	.	...	..	...	...	...	...	100	90
B.C. Fishing, com. (new)	$1.25	7.35	17	16⅝	16⅞	17	580	22	16⅝
Do. pref.	7	8.23	85	84½	84½	85	87	90	86
Can. Bak., c. (no par)	.	...	..	...	...	...	...	38½	27
Do. pref.	7	7.03	99½	99	99	99	50	102	98
Can. Bread, c. (no par)	5	4.76	106	105	106	105	90	116	90
Do. pref. (A)	7	6.03	116	116	116	116	2	116	108½
Do. pref. (B)	7	6.42	..	...	...	...	...	112¼	103
Can. Canners, com.	.	...	55½	55	55	55¾	14	63½	21
Do. pref.	4	4.34	93	92	92	92¼	400	97	76
Canadian Salt	8	5.92	..	...	...	...	...	136	123
Christie Bis., c. (no par)	$1.20	1.96	61½	58¾	60	59½	1057	61½	38
City Dairy, c. (par $25)	3+1	3.47	115½	111½	115	111	600	115½	79
Do. pref.	7	5.93	118½	118	118½	118	21	119	112
Cuban Can. Sugar, com.	.	...	3	3	3	2¾	100	5	2¾
Do. pref.	.	...	33	33	33	83	720	37	29
Wm. Davies (A) (no par)	.	...	45	42	43	42½	4645	43⅞	25
Do. (B) (no par)	.	...	19½	18	18	19	500	19½	9
Dominion Stores (no par)	$2.40	3.07	80	78¼	78½	80	243	85½	65
Hamilton Dairies, com.	.	...	30	30	30	30½	10	33	24
Do. pref.	7	7.21	97	97	97	97	10	98½	96
Inter. Milling, pref.	7	6.60	106	105¼	106	106	20	107	104
Lake of Woods, com.	12	9.23	133½	130	130	133½	130	160	130
Do. pref.	7	6.06	..	...	...	...	...	117	115
Loblaw, com.	$1.25	2.55	49¼	49¼	49¼	49	65	51	48
Loblaw, pref.	7	6.40	..	...	...	...	...	110	107
Maple Leaf Mill., com.	.	...	60⅞	60⅞	60⅞	61	10	78¼	61
Do. pref.	7	7.25	97	96½	97	97	39	101¼	94
Ogilvie Flour, com.	5	1.81	275½	275	275½	275	15	290	205
Do. pref.	7	5.66	..	...	...	...	...	124	120¼
Pure Gold Mfg. (no par)	$1.50	7.50	20	20	20	20	5	21¼	19⅛
Shred. W., new, c. (no par)	$3	4.47	67	65	67	65⅞	373	70½	55
St. Law. Flour, com.	.	...	30	29¾	29¾	30	207	31½	28
Do. pref.	7	8.75	..	...	...	...	...	84	80
Viau Biscuits, com.	.	...	24	24	24	25	70	26	18
Do. pref.	7	7.60	92½	89	92½	87	610	92½	83½
W. Can. Fl., c. (no par)	$1.40	5.18	27½	27½	27½	28	80	29½	22
Do. pref.	6½	6.34	102½	102¼	102½	103	31	103¼	100
West Groc., c. (no par)	$1	...	19	19	19	19	1	29	19
Do. pref.	7	8.80	79½	79	79½	78½	43	84	74¼
Utilities—									
Bell Telephone	8	5.46	148	145	147½	144½	469	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.55	180	180	180	179	78	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.17	..	...	...	...	...	98½	96¼
Inter. Util. (A) (no par)	$3.50	...	..	...	...	...	...	35¼	28
Jamaica Pub. Ser., pref.	7	7.07	100	99	100	100	15	100	97
Laurentide Power	5	4.54	108	108	108	110	5	120	107½
Mackay, com.	7	5.85	120	119¼	119½	119½	164	127½	119
Do. pref.	4	5.71	70⅛	69	70⅛	69	417	74	69
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	111	110	111	110	100	120	77¼
Mont. L H & P. (no par)	$2	2.35	85⅝	84	85	85½	4758	85¾	68⅛
Montreal Teleg. (par $40)	8	5.23	50	50	50	51	124	51	49
Nor. Mexico Pr., com.	1	...	66	60	66	60	620	65	42
Do. pref.	7	7.95	88	87	88	87	139	88	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	26
Do. pref.	7	7.21	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.71	105	105	105	105	1	105	98½
Do. pref.	6½	6.13	106	106	106	106	10	107½	102
Quebec Power, com.	6	2.04	294	288	290	291	229	311	190
Do. Rights	.	...	..	...	...	...	...	54½	31
Shawinigan	$2	2.28	89	87	87½	88¾	6751	90	67
South. Can. Pr., com.	$2	2.22	90	89	90	87	100	91	85
Do. pref.	6	5.94	101	101	101	101	195	102	100
Transportation—									
Can. Pacific Rly.	10	5.52	185½	180	185½	181	145	190	166
Can. Steamships, com.	.	...	39	38	38	39	877	42	35
Do. pref.	6	6.38	94¾	92	92	94	3580	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	51	33½
Brazilian, com.	6	4.15	144¼	138¼	143	138¼	47405	144¼	102½
Do. pref.	6	4.91	122	119⅞	122	122½	961	122½	105
Detroit Un. Rly.	.	...	2	2	2	2¾	70	5	2
Duluth-Superior	.	...	28	26	27	28	115	30⅞	25
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.29	189	189	189	185	26	200	169
Ottawa Traction	4	5.83	..	...	...	...	...	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.36	96	94	96	95	43	96⅛	90
Twin City, com.	4	7.84	53	49½	50½	53¼	1929	66	48¾
Do. pref.	7	6.86	..	...	...	...	...	105	100¾
Winnipeg Elec., com.	1	...	66¼	65	66¼	66½	735	68¾	60¾
Do. pref.	7	6.73	104	104	104	102	140	105	100⅝
Textiles—									
Can. Conn. Cotton, pref.	4	8.69	46	45	46	46	120	57	36
Can. Converters	7	6.86	102	102	102	102½	5	107½	100
Can. Cotton, com.	8	6.55	122	122	122	125	5	132	120
Do. pref.	6	6.12	99½	98	98	98	139	100	95
Can. Woollens, com.	.	...	8	8	8	8½	5	10	6
Do. pref.	.	...	60	60	60	59¾	5	63½	59¾
Cosmos Imp., com.	.	...	23½	22¾	23¼	22½	741	26¼	13
Do. pref.	7	7.29	96½	95¼	96½	96	93	98¼	91¼
Dom. Textile, com.	5	4.23	118	116¾	117½	117	483	120⅝	105
Do. pref.	7	5.83	120	120	120	121	6	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, com.	6	5.31	..	...	...	...	...	117	110
Do. pref.	7	5.98	..	...	...	...	...	118	115
Penmans, com., new	4	5.26	76	75	76	76	40	79	75
Do. pref.	6	5.88	..	...	...	...	...	105	101
Wabasso Cotton	6	6.12	98	98	98	91	103	116	84
Do. Rights	.	...	..	...	...	...	...	17	10
General Industrials—									
Amer. Sales, c. (par $20)	4	6.25	64	64	64	64	32	75	62
Do. pref.	7	6.89	101½	101	101½	101½	55	101⅝	97½
Do. Rights	.	...	..	...	...	...	...	6	3
Asbestos Corp., com.	.	...	21¼	20	20½	20¼	901	24¾	20
Do. pref.	7	8.14	86	85	85½	86	1500	88½	82¾
Brant. Cord., pf. (par $25)	8	8.51	24	23	23	24	82	25	21
Building Products, pref.	7	7.29	..	...	...	...	...	97	93½
Burt, F. N., com.	$3	4.83	62	62	62	63	132	65¼	56½
Do. pref.	7	...	..	...	...	...	...	210¼	210¼
Canada Cement, com.	6	3.91	153¼	150	152	150¼	1536	150½	124½
Do. pref.	7	5.83	120	118½	118½	119	96	121½	116
C. Ind. Alc. (no par)	$1.28	4.41	29⅝	29	29½	29½	7057	30⅛	21¼
Canadian Oil, com.	5	3.40	147	147	147	148	35	150	99
Do. pref.	8	6.66	120	119	120	118	42	120¼	115½
Do., new	.	...	24⅞	24⅞	24⅞	24⅞	25	24⅞	24½
Crow's Nest Coal	6	9.44	62	62	62	63½	10	66½	62
Dom. Glass, com.	7	5.66	123½	121¼	121¾	121	2346	123¾	104
Do. pref.	7	6.14	114	114	114	115	20	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
East Theat., c. (par $25)	.	...	28	28	28	28	25	30	24
Do. pref.	7	7.36	..	...	...	...	...	95	92½
Famous Players, com.	.	...	28	28	28	28	78	30	20
Do. pref.	8	8.31	97	96	96	96¾	439	101	93¾
Gilman, com.	6	5.35	..	...	...	...	...	112	112
Do. pref.	7	6.08	..	...	...	...	...	125	110
Goodyear Tire, pref.	7	6.94	100½	100⅛	100⅛	100⅛	135	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	23½	23⅛	23½	23	97	23⅛	20
Do. pref.	.	...	..	...	...	...	...	95	91
King Edward Hotel	$1	...	49	48	48½	47	40	60	20
Laura Secord, com.	.	...	27	26	27	26	45	31	27
Do. pref.	7	6.79	..	...	...	...	...	104	102
Lyall Construction	.	...	39¼	39	39	39¼	60	45¾	35¾
Loew's, com.	.	...	45	45	45	47	20	47	38
Do. pref.	7	6.86	102	102	102	102¼	12	105	96½
Nat. Brew., c. (par $25)	4	5.78	69¾	69	69	69½	1941	71¾	65
Do. pref.	7	6.51	107½	107	107⅛	107½	35	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.76	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.25	100	96	100	92	25	96	87
Do. pref.	7	6.52	107¼	107¼	107¼	107¼	2	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	77½	77½	77½	78¼	50	80	64
Do. pref.	7	7.07	100	99	100	100	68	100	92
Seagram (no par)	.	...	28	26⅝	26¾	27¾	14521	28⅞	15
Sher-Williams, com.	6	3.87	155	154½	155	152	232	155¼	142
Do. pref.	7	5.93	118	118	118	119	15	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	15	15
Sterling Coal	4	...	32	32	32	31	50	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	7	8.64	..	...	...	...	...	89	80
Tuckett Tobacco, com.	4	5.33	..	...	...	...	...	75	69
Do. pref.	7	6.63	..	...	...	...	...	106¼	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.75	..	...	...	...	...	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.50	100	100	100	99½	2	100½	94
Can. Permanent	12	5.40	222	222	222	221¼	5	222	216½
Colonial Invest.	6	...	..	...	...	...	...	7	6
Huron & Erie	7+½	4.93	152¼	149¼	152¼	148	63	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	52¾	50
National Trust	12	4.74	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.79	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.97	241½	241	241	240	13	241½	220
Toronto Mtge. (par $50)	10+1	5.34	103½	103	103½	103	16	103	100
Union Trust	7	6.36	..	...	...	...	...	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	20⅞	18½	20⅞	20	1388	35½	14
B. C. Oilfields	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	17	16⅛	16¾	17	500	20¾	15¾
Belding, com.	6	8.57	70	70	70	71	15	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil	80c	3.07	26½	26	26	26¼	8937	28	20
Com. Alcohol	.	...	65	(65	65	65	20	65	49½
Brew. & Distil. (par $5)	.	...	..	...	...	...	...	5¼	4½
Can. Brewing	.	...	28	26	28	25¾	2005	30¼	23
Can. Bronze, com.	.	...	50¼	46	50	46	1695	50	46
Do. pref.	.	...	100½	100	100	100¼	330	100½	100
Can. Celanese	.	...	53	52¾	53	54	100	54	52¾
Brading Brewery	.	...	35½	29¾	35	29⅞	1725	35½	25
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	52	42
Do. pref.	7	7.52	93	93	93	99½	1	99½	93
Cockshutt, pref.	4	5.12	78	78	78	79	10	82	70
Continental Oil	$1	....	17½	17¼	17½	17¾	7	22¼	17¾
Cosgrave Brew. (par $10)	5	7.69	6¾	6¼	6½	6¼	237	8	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	12¼	10¾
Do. pref.	4	7.40	54	54	54	54	6	54	50½
Can. Light & Pr.	.	...	48	38	48	40	270	55	20¼
Dom. Engineering	8	4.70	178	170	170	178	75	180	135
Dom. Power, pref.	7	6.96	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	13	13	13	12	25	15½	11
East. Dairies, c. (no par)	.	...	29¼	26	29	26	572	29¼	20¾
Do. pref.	7	...	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Good. & Worts (no par)	$1	1.67	58¾	57	58½	58⅝	5290	64	43¼
Hayes Wheel, com.	.	...	34	30	33	29	1613	34	27¾
Do. pref.	.	...	95	95	95	95	210	96	94
Hiram Walker	.	...	55¼	51	54	52	46765	55¼	28½
Illinois Power, pref.	7	...	..	...	...	...	...	100½	98
Imperial Oil	$1.12½	2.54	44⅝	44	43	44¼	8583	47	37¾
Imp. Tobacco, c. (no par)	6	...	7	7	7	7	710	7⅛	6¾
Inter. Petroleum	75c	2.50	29⅞	28⅞	29	30	1700	35¼	30
Mitchell, J. S.	.	...	..	...	...	...	...	29¾	29⅛
Manitoba Power (no par)	.	...	55	55	55	55	40	58½	50
McColl, com. (no par)	80c	2.10	38	37½	37¾	37⅞	380	40¼	22½
Do. pref.	7	6.12	115	114	114	115	116	116½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4
Do. pref.	6	...	..	...	...	...	...	55½	51½
North Star Oil, com.	.	...	..	...	...	...	...	2.55	1.15
Do. pref.	7	...	4.90	4.90	4.90	4.90	200	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	18¾
Do. pref.	7	...	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par)	.	...	25	23	25	25	129	26	23
Paton Mfg., com. (no par)	.	....	60	60	60	56	25	60	52
Do. pref.	.	...	..	...	...	...	...	100	98
Power Corp., c. (no par)	.	...	44	38	43	38	5971	44	27¼
Do. pref.	6	6.81	95	95	95	95	37	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Que. South Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	140	135	135	135	185	150	96
St. Maur. Valley, com.	.	...	54	53¼	54	53¾	350	57½	47
Do. pref.	.	...	95	94½	94½	95	23	98	94½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	..	...	...	...	...	54	39¾
Do. pref.	8	7.61	105	105	105	105	1	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	....	..	...	...	...	...	150	150
United Secs., com.	.	...	60	58	59	59	181	70½	43½
Do. pref.	6	5.71	105	105	105	105	12	105¼	103½
Volcanic Oil	63c	...	44½	44½	44½	41	100	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7¾	6¼
Tram. Script	.	...	..	...	...	...	...	10	9¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen	.	...	..	...	...	...	...	23¼	20

xQuotations for 1926. No sales recorded in 1927 to date.

Toronto Brewing Shares Begin Well on 'Change

One hundred and twenty thousand shares of no par value of the Toronto Brewing & Malting Co., were called on Saturday morning on the unlisted section of the Toronto stock exchange. The stock, which was retailed at $12 per share closed at $13 bid with a few hundred shares changing hands at that figure.

The brewery, at Dundas and Simcoe streets, Toronto, is said to be one of the largest and best equipped Breweries in Ontario.

Brewing operations were commenced Wednesday and one of the directors was of the opinion that the company would earn well its stocks in the remaining months of this year.

Dividends Declared

Company	Rate	Date	Record
Bank of Commerce	3%	June 1	May 16
Bank of Toronto	3%	June 1	May 14
Bk. of Montreal	3%	June 1	Apr. 30
Banque Can. Nat.	2½%	June 1	May 15
Royal Bank	3%	June 1	Apr. 30
Provincial Bank	2¼%	June 1	May 15
Barcelona Tr. com.	1%	June 30	
C. P. R.	2½%	June 30	June 1
Bri. Col. Fish	$1.25	June 10	May 31
Do., pref.	1¾%	June 10	May 31
Brazilian	1½%	June 1	Apr. 30
Belding Cort. pref.	1¾%	June 15	May 31
East. Koot. Pow. p.	1¾%	June 15	May 31
Famous Players, pref.	$2	June 1	Apr. 30
Can. Westinghouse	30%	June 20	May 20
McIntyre Porc.	5%	June 1	May 2
Page Hersey	75c.	July 1	June 18
Do., pref.	1¾%	July 1	June 18
Wayagamack	75c.	June 1	May 16
Crow's Nest Coal	1½%	June 1	May 10
Tuckett Tob., com.	1%	July 15	June 30
Do., pref.	1¾%	July 15	June 30
Imperial Oil	25+12½c.	June 1	May 14
Loblaw, com.	25c.	June 1	May 18
Do., pref.	1¾%	June 1	May 18
Jamaica Pub. Ser. pfd.	$1.75	July 2	June 15
Can. Foundries pfd.	2x	June 1	May 18
Lake of Woods, com.	3%	June 1	May 21
Do., pref.	1¾%	June 1	May 21
Ford Motor	15%	May 28	May 21
Cosgrave Brew.	1¼%	June 1	May 31
English Elec. pref.	x4%	May 31	May 20
Inter. Mill. pref.	1¾±	June 1	May 21
Imp. Royalties	1½%	May 31	May 25
Hamilton Dairies	1¾%	June 1	May 20
Mackay, com.	1¾±	July 1	June 4
Do., pref.	1%	July 1	June 4
Can. Permanent	3%	July 2	June 15
Canada Landed	2½%	July 2	June 15
Bk. of N. Scotia	4%	July 2	June 15
Belgo. Can. Paper, pfd.	1¾%	July 2	June 3
Continental Oil	25c.	June 15	May 13
Dom. Glass, com.	1¾q	July 2	June 15
Do., pref.	1¾q	July 2	June 15
South. Can. Pr.	1%	July 15	June 30
Montreal Loan	3%	June 15	May 31
Viau 1st pfd.	1¾%	June 1	May 25
Mont. Cot., com.	1½%	June 15	May 31
Do., pref.	1¾%	June 15	May 31
Wabasso Cotton	$1+50	July 2	June 30

BOND REDEMPTION

	Rate	Due	Redeem.	Amount
Prov. of Que.	5½%	1936	June 1	$4,000,000

xOn arrears.

WE WISH to announce that Mr. Vaughan W. Pearson, who has been associated with this firm for some time, has been admitted to partnership.

L. M. Green & Co.
MEMBERS TORONTO STOCK EXCHANGE
330 Bay St. Toronto

NOTICE

Under a regulation of the Ontario Government Liquor Control Bill, all advertising of spirituous or malt liquors is strictly prohibited. This covers advertising in all its forms, including newspaper and periodical advertising, on billboards, street cars, display cards, signs, novelties or printed matter.

When Government Control becomes effective it will be illegal to advertise the products of COSGRAVE EXPORT BREWERY Company Limited in any way, shape or form.

We respectfully request our many customers, therefore, to remove from their premises, by the date the new law comes into effect, any signs or display material advertising COSGRAVE products.

The Ontario Government Liquor Control Bill will be proclaimed at an early date, and we trust that our customers will be guided by this announcement.

Cosgrave Export Brewery Co.
Limited
293 Niagara Street Toronto
Dated May 18th, 1927 Established 1863

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INVESTMENT BANKERS
BONDS AND SHARES
"Specialists Unlisted Bonds and Stocks"
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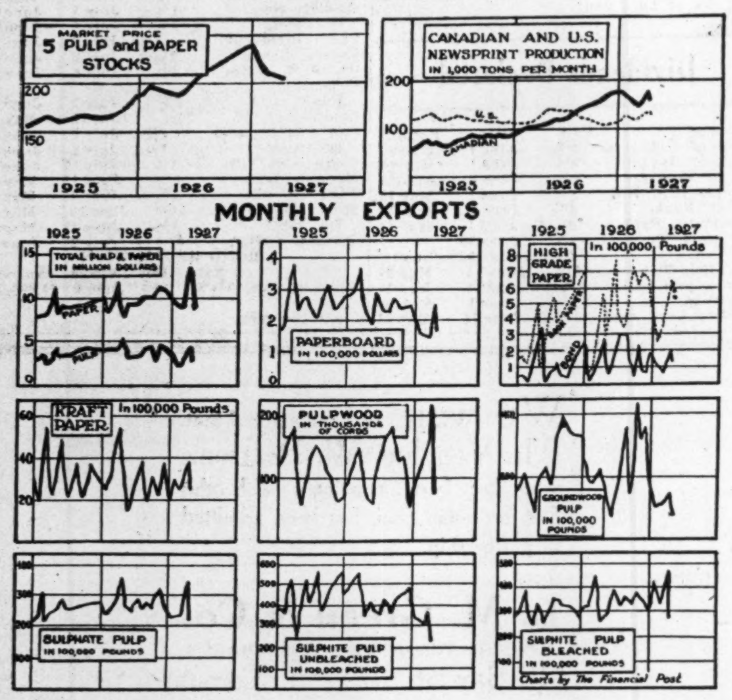
Elgin 5101-5102-5103 5104-5105-5106

Pulp & Paper

Signs of Hesitancy Appear in Pulp and Paper Market

Demand for Sulphite Pulp is Decidedly Weak — Pulp and Paper Exports Decline — Paperboard, High Grade Paper and Kraft Unaffected

From Our Own Correspondent.



MONTREAL—Following a month in which the total pulp and paper exports showed a marked increase, the export figures for the month of April show a decline in every branch of the industry.

The export figures provide a good index of the situation which prevails throughout in the industry for, with the exception of paperboard, high-grade paper and kraft paper, the real market for the Canadian production is found abroad. The newsprint situation remains in statu quo. The decline in the Canadian output in April was of a marginal character only. The outlook for the future is towards an increase in the production which, however, will not catch up to the ever-increasing capacity of the Canadian newsprint mills for some time.

Sulphite Pulp is Weak

During the past twelve months the exports of paperboard show a decline of about 18 per cent.—but the export market plays a very minor role indeed in this branch of the industry. It is understood that the earnings of the paperboard companies are running along at much the same level as was experienced in 1926.

The sulphite pulp industry appears to be passing through less profitable times. There has been a very decided drop in the output of unbleached sulphite pulp; this is natural as the tendency is for manufacturers to turn out more bleached sulphite pulp in order to obtain the added manufacturing profit, but during the last twelve months the combined export of unbleached and bleached sulphite show a decided decline as compared with the preceding twelve months.

Kraft Mills Do Well

The exports of kraft paper play a larger part in the kraft industry than do the exports of the high-grade paper in that industry. For the twelve months ending April, though, the exports of kraft showed a not inconsiderable decrease as compared with the preceding year. However, the domestic market for kraft paper seems to be satisfactory and the kraft mills are doing a good business. Exports of sulphate pulp for the year showed some slight increase as compared with a year ago.

While exports of high-grade paper were off during the month of April slightly, yet exports for the year to date show a good increase. This branch of the industry which depends for earnings on the domestic market is finding the demand satisfactory.

Market Prices Are Weaker

The general situation surrounding the whole pulp and paper industry, therefore, is not as satisfactory as that which prevailed towards the close of 1926, when the exports of most pulp and paper products were showing a tendency to increase. The general situation has naturally affected the market price of the pulp and paper stocks, as is seen in the accompanying chart.

The fact that there is a hesitancy in the pulp and paper industry is evidenced also in the market for sulphite pulp which of late has exhibited increasing signs of weakness. The sulphate pulp market, however, remains fairly strong, as does also the market for soda pulp.

Dominion Engineering Business is Maintained

From Our Own Correspondent.

MONTREAL—A very satisfactory level of activity is being maintained at the Dominion Engineering Works and indications point to a continuance of orders for the company.

The Canada Northern Power Corporation has just placed an order for a new 26,000 horsepower unit for its Quinze River plant. The company has just completed four newsprint machines for the Canadian International Paper Company. These machines have each a rated capacity of 150 tons daily and are the largest ever built. The new machines ordered for the St. Anne Paper Company have also been completed.

The work which the company has on hand for other newsprint companies includes six newsprint machines. Four are for the Spruce Falls mill at Kapuskasing, in which the New York Times is interested; and two newsprint machines will be completed and delivered to the Lake St. John Pulp and Paper Company before the close of the present year.

There are many expansions in the industry in prospect which ultimately may bring orders to the company. Eventually, the St. Regis Paper Company will erect a new mill with four machines just above Quebec. The Quebec Pulp and Paper Mills is also contemplating expansion. The Great Lakes Pulp and Paper is to enter the newsprint field and there are several further pulp and paper projects in active consideration, some of which will undoubtedly place their orders for machines with the Dominion Engineering Works. It is anticipated that the company will also benefit by orders for turbines from the new Montreal Island Power Company's 65,000 h.p. development.

Caron Brothers to be Reorganized Very Shortly

From Our Own Correspondent.

MONTREAL.—It is understood that the firm of Caron Brothers will not be in a position to meet its full interest payments due on June 1 next—if indeed it will be able to make and interest payments at all.

It is understood that the company is to be re-organized. Henry R. Gogay, of W. B. Richards Company, of New York, auditors and business engineers, is in immediate charge of the business of the firm, which is being carried on without interruption. Mr. Gogay in his present capacity is appointee of the Credit Generale du Canada, trustee for the bondholders. Ernest Guimont, of the Credit Generale du Canada and assistant general manager of La Banque Canadienne Nationale, is in charge of the re-financing arrangements, which, it is stated, will entail bank co-operation.

COURT'S DECISION WILL NOT FINISH BESCO LITIGATION

Only Immediate Future Will be Determined by Forthcoming Ruling

From Our Own Correspondent.

MONTREAL.—Work on the formulation of a reorganization plan for the British Empire Steel Corporation is proceeding, but it is impossible to guess at the lines along which the new organization will be formed. One of the reasons for this is that the courts of Nova Scotia have not yet handed down a decision on the application of the National Trust Company for a court order to wind up the Dominion Steel Corporation.

Should the court grant the application of the National Trust Company, it will mean that the Besco management and the National Trust Company would immediately become involved in further litigation, for the Besco shareholders at the special general meeting authorized their management to take all possible steps to prevent the Dominion Steel Corporation from being wound up.

Plans Are Developing

Just as soon as the litigation between the corporation and the trust company has been cleared away, further progress in the formulation of a reorganization plan will be undertaken by the committees representing the many classes of shareholders in Besco and in its subsidiaries.

In the meantime, the Dominion Coal Company is experiencing what appears to be satisfactory business conditions. It is working to capacity and its output has been sold until the close of the period of navigation on the St. Lawrence.

In the ultimate reorganization plan, the present holders of securities will be offered new bonds or shares according to the inherent values underlying the present issues. Whether or not these new securities will all be in one new immense company, or whether they will be in component companies affiliated as are Besco and its subsidiaries at the present time, depends on many variables—including, of course, the desires of each of the different groups of shareholders.

Blondeau New President of J. E. Clement Firm

From Our Own Correspondent.

MONTREAL.—Announcement is made by the directors of J. E. Clement, Inc., Montreal, of the appointment of J. A. Blondeau as president of the firm to succeed the late J. E. Clement. H. Clement, as son of the late president, has been appointed vice-president and F. E. Leyland and J. E. Lussier, assistant joint managers. Mr. Blondeau also becomes vice-president and general manager of the Fire Insurance Company of Canada, founded by the late Mr. Clement.

In addition to the Fire Insurance Company of Canada, J. E. Clement, Incorporated, are managers for Canada of the Nationale Fire Insurance Co., of Paris; the American Equitable Assurance Co., of New York, and American Lloyds Incorporated, of New York.

HOWARD SMITH WILL NOT CALL BONDS

Reconstruction of Capitalization Has Not Even Been Considered

From Our Own Correspondent.

MONTREAL.—That the management of the Howard Smith Paper Mills contemplates any revamping of its capital structure is denied by those closely associated with the management. Rumors have been in circulation indicating that the company would redeem some of its outstanding securities and replace them with others bearing a lower rate of interest. As the greatest proportion of the outstanding bonds bear interest at 7 per cent., and as the preferred stock bears interest at 8 per cent., there is always the possibility, of course, that with the general decline in the interest rates which has taken place in the last three or four years, that some such step might in future be undertaken by the management.

Outstanding Capitalization

Howard Smith Paper Mills has outstanding only $387,400 in first mortgage, 6 per cent. bonds due in 1934. Its larger issue of $4,132,000 in refunding mortgage bonds due 1941, bears interest at 7 per cent. Both these issues are callable at 105. In 8 per cent. preferred stock, the company has outstanding $1,599,700. This stock is callable at 120.

In view of the cost of calling the bond issues and the preferred shares, it can be seen that before taking any such steps the company would have to be assured of very materially lower interest rates on some $6,000,000 of new securities which would have to be issued.

As far as the Financial Post has been able to ascertain, such a step has not yet even been considered by the management.

Canadian Car Preferred is in Better Demand

From Our Own Correspondent.

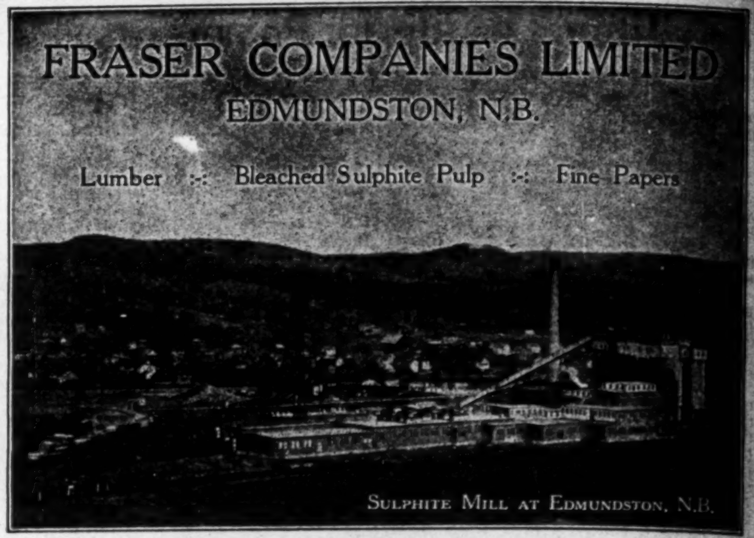
MONTREAL.—There has been an increase in the interest in the preferred shares of the Canadian Car and Foundry Company. At their present levels there appears to be a scarcity of the stock on the market.

Canadian Car preferred is an issue which yields a high return, and at the same time the dividend is regarded as being reasonably safe, more especially as during the past year the company's business has undergone an improvement. There seems to be feeling, also, that ultimately Canadian Car will undoubtedly obtain something on account of its claims against Germany for the destruction of its New Jersey plant during the war.

NEW CURB FIRM

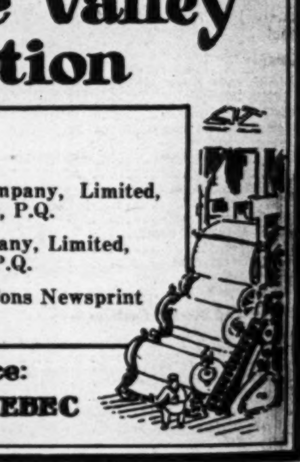
MONTREAL.—F. J. Fairhall has been elected a member of the Montreal Curb Market and a new investment firm, bearing his name, has entered the financial field here. Mr. Fairhall formerly conducted a financial business in Windsor, Ontario.

Associated with him in the new firm is A. M. Baird, who has been identified with the Montreal brokerage field for some time. Mr. Baird will have charge of the investment department of the new firm.



Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal — Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q. — Cable Address: "SAGUENAY, CHICOUTIMI"

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint

Head Office: MONTREAL-QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

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The Spanish River Pulp and Paper Mills Ltd.
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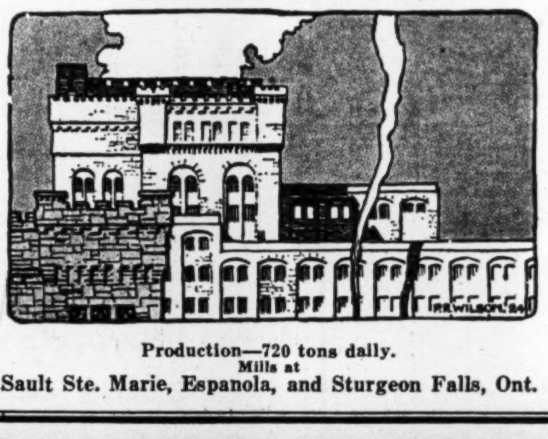
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Limited
Three Rivers, Que.

The Wabasso Trade Mark is a guarantee of highest quality cotton fabrics.
WABASSO COTTONS enjoy the unstinted approval of discriminating women all over Canada. They find them best for undergarments, dresses, rompers, sheetings, etc., because they stand up stoutly to the most strenuous wear, yet retain their original beauty.
Wabasso Cottons are Canada's best

Foundation of Investment Trust Should be Common Shares

Seventeenth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS. Copyright, 1927.

One of the invariable characteristics of the typical investment trust is that the common or ordinary stock outstanding is always available to, and is almost wholly, in the hands of the private investor. As the common stock has voting power, the control or destiny of the trust is in the hands of the ordinary shareholders or the public. All through these articles in pointing out the attractive features and advantages of investment trust securities, it will be found that the most attractive features are almost exclusively inherent in and attached to the common or ordinary stock. The capitalizations of all British trusts, without an exception, are composed of common or ordinary stocks and generally, in addition, some type of fixed income security, either bonds or preference stock, usually both.

Security Behind British Trusts

It will be recalled that early in these articles, we pointed out the great measure of security which always lies behind the outstanding bonds of the British trust. Theoretically, in the case of the Scottish trusts, for each £1 of bonds outstanding, there are £2 of assets. But, as we have seen, the Scottish trusts have, in addition, built up reserves amounting to 86% of the common stocks outstanding. Thus the actual security behind the outstanding bonds in reality approaches two and a half times the amount of the outstanding bonds.

As regards the English companies, the security for the bond holders is even greater. Theoretically, the average is such that for each £1 outstanding, there are £2½ of investments. Here again, large reserves have been built up, approximating 43% of the total common stock outstanding. The actual security for the bondholders is considerably over 2¼ times the amount of bonds outstanding.

Strong Backing for Bonds

The great attraction of the bonds of the British trusts for the private investor is that they offer a fixed definite income payable at stated times, and, more important, the security is practically impregnable under present day practices, owing to the great safeguards in making investments, particularly in the direction of the extent of the diversification.

Two facts cannot be too strongly emphasized; first, the common stocks are in the hands of the public, and, second, the bonds outstanding have a wide diversified list of assets behind them of from over two to over two and one-half the amount of bonds issued. These are essential characteristics of the typical British investment trusts, the form of which has been practically standardized. All now closely resemble one another, having through sixty years of experience eliminated the weaknesses or defects of the early period.

Recently, in examining the capital structure of a so-called "investment trust" I was particularly struck with what appeared to me to be a very meagre character of the security. The security for each $1,000 "bond" was 105% par value invested in other issues. Compare with that the 200% to 300% of security which lies behind the bonds of the English or Scottish trusts. How much under par the actual values may be will be realized when it is further pointed out that there are plenty of 3% and 3½% government and municipal bonds outstanding, which today sell at heavy discounts from par. Consequently, the contract to maintain securities at 105% par value means little and is a decided weakness. It constitutes at best a security which in my opinion may be exceedingly questionable and flimsy. The lists of investments in such a case should be open to examination and should be most closely inspected by intending investors. Certainly, there appears to be nothing which approaches or resembles the impregnability of the security behind the bonds of the British investment trusts.

Bonds Versus Stocks for Investors

Then there is still another consideration. It will be recalled that in the case of the English trusts, the reserves had been built up to the extent of 43% of the amount of common stock outstanding and that in the case of Scottish trusts, the reserves had been built up to the extent of 86% of the common stocks outstanding. That is, the security behind the English investment trust common stock amounted to 143% and in the case of the Scottish trust to 186%. The so-called bonds in the above example do not, therefore, even approach the security for the common stocks of the British investment trust, let alone the bonds. Moreover, the holder of the common stock of the British investment trust has been given voting power and thus the control of the organization to compensate him in a measure for the lesser degree of security which he enjoys as compared with the bondholder. This will serve to show how far removed this example is from the typical investment trust. But there is still a further and more radical deficiency which has to do with the relative desirability of bonds as compared with the stocks of the investment trusts.

While the bonds of the British investment trusts offer practically impregnable security, the characteristically attractive features of the investment trusts are inherent in the common stocks. The income of the British investment trust is used, first, to pay the relatively small cost of operation; second, to pay the interest or dividends on fixed income securities on their bonds, debentures or debenture stocks or preference stocks; third, to pay the dividends on the common stocks; fourth, to build up reserves, both visible and invisible.

Always Build Strong Reserves

The universal practice is to build up strong reserves. This inevitably increases the earning power and enables the directors to give the shareholder important stock bonuses from time to time. Such practices followed continuously, as they have been in Great Britain, result in a security which has a growing character, first, as regards the income, second, as regards market value of the original investment, and, third, as regards the total par value of common stock held and its market value.

Practical "Scientific Diversification"

Another vital thing to consider is the extent and character of the diversification now practised in building up the investment list of a typical investment trust. In the early days, the managers of investment trusts, in many cases, favored investments in one class of security or in one country. Some favored railway securities. Large paper profits were for a time indicated, but the railroads started were not equally successful. The hoped for actual profits were slow to materialize. Afterwards, disasters followed and trusts holding railway securities exclusively, fell by the wayside. Then, again, some favored issues of one or other foreign government or investments even of a wider character in one foreign country, only to go through similar experiences. Even as late as the war, there were one or more companies which favored Russian securities almost exclusively. Everyone today is familiar with the position of the foreign holder of Russian obligations. Such experiences have resulted in the present universal practice of "scientific" diversification.

As Many as 800 Issues

Recently, in an examination of the investment lists of the large number of British investment trusts, I found that the smallest number of issues contained in any of the lists examined was 140 and the largest 800, the great majority being about 300 to 400. The lists consisted of every type of security in several classifications.

First, the lists contained bonds, debentures, debenture stocks, preferred stocks and ordinary stocks.

Second, they contained government issues, railroad issues, public utility and industrial issues.

Third, they contained securities domiciled not only in Great Britain but in outstanding countries of the world.

One company, which is simply typical, held 231 securities which were variously classified as follows:

Bonds, debentures and debenture stocks	58.7%
Preferred stocks	18.5
Ordinary stocks	22.8
	100%

which were distributed among various types of issues as follows:

Government issues	15 %
Railroad issues	24 9
Electric railway, lighting and other public utility companies	16 4
Iron, coal and steel companies	5 7
Industrial and commercial	28 8
Financial (banks and insurance)	9 2
	100%

By countries, the distribution was as follows:

Great Britain	44 1%
British Dominions	9 8
United States	4 4
Argentine	15.7
Brazil	3 6
Other South American countries	9 2
Mexico	1 0
Other	12.2
	100%

Single Loss is Unimportant

This example serves to re-emphasize the character of the diversification in the lists of investment holdings. Should there be a complete loss in one of the investments in this company, it would not seriously affect the security underlying the outstanding issues of the trust. Assuming that the amounts invested in each were equal, the complete loss of one issue would entail a loss of about 4/10 of 1% of the total. Compare that with an investment list containing but 20 issues. The complete loss of one issue would be a serious thing involving a reduction in the assets of 5%. In the first case, there would have to be 13 complete losses to involve a 5% reduction in assets. In the case of the trust holding 800 issues, the reduction entailed by the complete loss of one issue would be 1/8 of 1% and it would require the complete loss of 40 securities to be equivalent to a 5% loss which would be involved through the loss of one security if the list consisted of only 20 issues.

These examples sufficiently illustrate the importance of "scientific" diversification in building up the investment lists of investment trusts and illustrate why we are justified in applying the term "self insured" to the security issues of soundly founded investment trusts.

The points brought out in this article are so vital in ensuring the successful working out of investment trusts that they should be specially borne in mind by the investor who may be considering investment trust securities.

Dollar Volume of American Business Ahead of Last Year

Check payments in the United States during the second week of May, indicative of the dollar volume of trade, although smaller than in the previous week, were substantially larger than a year ago, according to the weekly statement of the Department of Commerce. Wholesale prices were weaker than in the preceding week, averaging more than ten per cent. lower than the three-year average for the period 1923 to 1925. Building contracts awarded in thirty-seven states were larger in value than in either the preceding week or the corresponding week of 1926, with the Chicago district showing larger awards than in any of the other seven districts.

The production of bituminous coal during the first week of May was smaller than in either the previous week or the corresponding week of last year. Bee-hive coke output showed similar conditions. The production of lumber, although greater than in the previous week, was lower than in the same week of 1926. Crude-petroleum output reached a new high mark during the first week of May. Receipts of wheat were greater than a year ago, while the cattle receipts declined. Receipts of hogs, however, showed an increase over last year.

BANK CROP REPORT

The Bank of Montreal's first crop report for the season states that wheat seeding in Western Canada is from ten days to two weeks behind the ten-year average, owing to the backward season, and it is likely that there will be a decrease in wheat acreage, with an increase in coarse grains. The weather, however, is good over the prairies, and operations are gradually becoming general. In practically all districts the seed-bed is in excellent condition with abundant moisture stored in the ground.

A carload of bacon hogs will be included in Manitoba's exhibit at the international stock show in Chicago this coming fall.

Western Municipals

Bonds issued by municipalities give a higher interest return than issues of similar standing of eastern towns and cities.

This is due to the fact that all interest rates are higher in the West.

Investors who would increase the average earnings of their holdings will find our lists of value.

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66R

New Issue

As this issue has been over subscribed this advertisement appears as a matter of record only.

$8,000,000

Montreal Island Power Company

5½% First Mortgage Thirty-year Sinking Fund Series A Gold Bonds

DATED MAY 1ST, 1927. DUE MAY 1ST, 1957.

Interest payable semi-annually 1st May and November. Both principal and interest payable at the holder's option in Canadian Gold Coin at any Branch of the Royal Bank of Canada, in Canada; or in United States Gold Coin at the Agency of the Royal Bank of Canada, New York; or in Gold Coin of the Kingdom of Great Britain at the Royal Bank of Canada, London, England, at the fixed rate of $4.86-2/3% to the £. Coupon bonds in denominations of $1,000 and $500, with privilege of registration as to principal, Fully registered bonds are obtainable in denominations of $1,000. Redeemable at the option of the Company in whole or in part on any interest payment date on sixty days' notice, at the following prices, plus interest accrued to date of call, viz.: at $105 if redeemed on or before May 1st, 1932, and thereafter at 1% less for each five subsequent years, or portion thereof.

TRUSTEE: Montreal Trust Company, Montreal

CAPITALIZATION

	Authorized	To be Issued
5½% First Mortgage Bonds (this issue)	$15,000,000	$8,000,000
6% Preferred Stock	1,000,000	1,000,000
Common Shares of no par value	75,000 shs.	75,000 shs.

BUSINESS AND PROPERTY: The Montreal Island Power Company, incorporated under the laws of the Province of Quebec, has been formed for the purpose of developing a water power located on the Riviere des Prairies (Back River), about seven miles from the heart of the City of Montreal, Que. It is estimated that this site, under a head of 26 feet, is capable of developing 65,000 h.p. twenty-four hour power. Construction will start immediately and will be so carried out that 40,000 h.p. should be available for delivery by the end of 1929, provision being made for increasing the capacity to 65,000 h.p. at minimum cost, as required.

POWER MARKET: The Company has entered into a contract with the Montreal Light, Heat & Power Consolidated, whereby that Company will purchase all the power from this development for a period of thirty years, with provision for extension of the contract for a further like period. The power will be taken in specified annual instalments, until the entire capacity is absorbed.

Montreal Light, Heat & Power Consolidated operates one of the largest public utility systems in Canada. Directly, through subsidiaries or associated Companies, it does all the gas business and practically all the electric power and lighting distribution for domestic, industrial, municipal and tramway purposes in Greater Montreal, serving a rapidly growing community with a present population in excess of 1,000,000. The growth and strength of the contracting company are indicated by its net revenue, which has been as follows:—

1922..$6,483,473 1924..$7,670,190 1926..$8,693,688

The average annual increase in demand for power for the past five years amounted to 16,000 h.p. At the same rate of increase the entire capacity of Montreal Island Power Company would be utilized and sold within four years.

SECURITY: These bonds will be secured, in the opinion of counsel, by a First Mortgage on all fixed assets of the Company now owned or hereafter acquired, including the dam, power house and lands necessary for the proposed development, and in addition, by deposit with the Trustee of the contract for sale of power to Montreal Light, Heat & Power Consolidated. The proceeds of this issue will be deposited with the Trustee, under suitable escrow provisions, and may be drawn down from time to time upon receipt of engineers' certificates of construction, or for other proper expenditures.

EARNINGS: Under the above-mentioned contract at ultimate capacity, it is estimated that net earnings of the Company will amount to approximately $900,000 per annum, or over twice the annual bond interest requirements.

SINKING FUND: The Trust Deed will provide for an annual sinking fund sufficient to redeem one-third of this issue by maturity, first payment to be made May 1st, 1937

FUTURE ISSUES: The total authorized amount of this issue is limited to $15,000,000. Bonds in excess of $10,000,000 may be issued to the extent of 75% of the cost of extensions and additions to properties, and then only when the net earnings, after sinking fund, are not less than one and one-half times interest requirements on all bonds outstanding, including those about to be issued.

MANAGEMENT: The operation of the plant will be under the supervision of the officials of Montreal Light, Heat & Power Consolidated.

DIRECTORS: The Board of Directors will be as follows:

John S. Norris, Vice-President, Montreal Light, Heat & Power Consolidated.

G. H. Montgomery, K.C., Director, Montreal Light, Heat & Power Consolidated.

H. Milliken, Chief Engineer, Electrical Department, Montreal Light, Heat & Power Consolidated.

H. B. Pope, General Superintendent, Electrical Department, Montreal Light, Heat & Power Consolidated.

P. T. Davies, Vice-President, Southern Canada Power Company Limited.

J. S. H. Wurtele, Vice-President, Southern Canada Power Company Limited.

Harold E. Walker, K.C., of Messrs. Chauvin, Meagher, Walker & Stewart.

STOCK PURCHASE WARRANTS: Share warrants accompanying these bonds entitle the holder of each $1,000 bond to purchase two Common shares of the Company at $40 per share, if exercised on or before May 1st, 1929. These warrants will be non-negotiable before May 1st, 1928, unless accompanied by bonds.

ENGINEERING AND CONSTRUCTION: Under arrangements agreed upon the technical work and supervision of construction of this development will be carried out by the Engineers of Power Corporation of Canada, Limited.

This development has been favorably reported upon by the Engineers of Power Corporation of Canada, Limited, and by Messrs. J. M. Robertson, R. S. and W. S. Lea and T. Pringle & Son, Limited.

Subject to legal opinions by Messrs. Chauvin, Meagher, Walker & Stewart for the Company, Messrs. Brown, Montgomery & McMichael for Montreal Light, Heat & Power Consolidated, and E. R. Parkins, K.C., for the Bankers, these bonds are offered when, as and if issued and received by us.

PRICE: 100 and accrued interest to yield 5½%

Carrying share warrants as described above.

NESBITT, THOMSON & COMPANY LIMITED

Royal Bank Building, TORONTO 2

Montreal Quebec Ottawa Hamilton London, Ont. Winnipeg

The information contained herein, while not guaranteed by us, has been gathered from sources believed to be reliable.

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NEWBOLD C. JONES
FREDERICK NEWTON

BRIAN HEWARD
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JONES, NEWTON & HEWARD

MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411

Public Utilities

POWER CORP. HAS LARGE PROFITS IN RECENT SALE

Many Constructive Factors Have Combined to Make Stock Attractive

From Our Own Correspondent.

MONTREAL.—The shares of the Power Corporation of Canada continue to reach new high record levels on the Montreal Curb Market. The reasons for the strength in the shares is not far to seek.

It is understood that the Power Corporation holdings of the Ottawa-Montreal Power Company amounted to over 60 per cent. of the common stock. This means that in the recent sale of interests understood to represent the International Paper Company that the Power Corporation received a cash price of some $520,000 for its holdings in this subsidiary. The common shares of the Ottawa-Montreal Power Company, before the sale, were changing hands at $20 per share, as compared with the sale price of $40 per share.

Receives a Good Profit

From a market standpoint, then, the Power Corporation received a profit of at least $260,000. But the profits of the parent company are understood to be considerably in excess of this figure, for it is thought that the stock was purchased at considerably less than $20 per share by the Power Corporation in the first instance.

While the sale of this subsidiary may be regarded as a constructive factor in the development of the Power Corporation, yet there are other factors which have combined to appreciate the market value of the common stock. There have been increasing activities coupled with an increasing demand for power in the many districts served by the subsidiaries of the corporation.

Earnings Last Year

Last year, the initial year of its activities, the Power Corporation earned only $100,000 applicable to the dividend requirements of its second preferred shares, which amounted to some $150,000. However, this preferred stock is non-cumulative, so that as earnings increase, there will be a surplus applicable to the common stock.

The Montreal Island Power project is another constructive factor in the situation surrounding the Power Corporation which owns a substantial block of the common shares of this newcomer to the hydro electric investment field.

The $8,000,000 bond issue by which the Montreal Island Power was introduced to investors was largely oversubscribed. As this company has a satisfactory contract with the Montreal Light, Heat and Power for the sale of its output, it can be seen that over a term of years there is every probability that the Power Corporation's holdings of Montreal Island Power will tend to appreciate steadily.

All Power Will be Sold

Montreal Power will take from Montreal Island Power 40,000 h.p. when the project is completed in 1929. The power will be taken in specified annual instalments thereafter until the full output of the plant of 65,000 h.p. is sold. It is understood that while the Power Corporation owns a very substantial block of stock in Montreal Island Power the new project is controlled by Montreal Light, Heat and Power or interests associated with that company.

Public investment interest in the Power Corporation of Canada is confined to its first preferred and common stock issues. The primary object of the company is the acquisition of hydro electric securities but with this it combines the management and operating supervision of the subsidiaries which it controls. The holdings of the corporation include in addition to power and light securities some other stocks of an investment character. It undertakes engineering work also for its associated companies.

Set Up Has Been Altered

The recent deals in which the corporation has figured has changed the set-up of its holdings somewhat with the result that it now owns the control of the following companies:

Ottawa and Hull Power Co.
Canada Northern Power Corp.

In addition it has substantial holdings in the following:

East Kootenay Power Co.,
Dominion Power and Transmission Co.,
Southern Canada Power Company.,
Montreal Island Power,
Winnipeg Electric Co.

The foregoing subsidiaries and associated companies in turn control subsidiaries in which indirectly the Power Corporation is interested. These include such companies as the Manitoba Power Company, which is controlled by the Winnipeg Electric, and the Ottawa River Power Company, which is controlled by the Ottawa and Hull Power Company.

In practically all the territories served by these companies business conditions are improving with a consequent increase in the demand for light and power.

Joins Toole, Peet & Co.

Eric J. Davies, who has been assistant credit manager and traveling auditor for P. Burns & Co., during the past ten years service with that company, has joined the old established general agency and financial firm of Toole, Peet & Co., Calgary, to take charge of their finance and accountancy and credit departments.

Quebec Southern Soon to be Sold?

MONTREAL.—It is said that negotiations are underway leading to the purchase of the Quebec Southern Power Corp., by new interests. Those with a knowledge of the corporation's operations neither deny nor affirm the rumor.

Quebec Southern operates in a territory contiguous to that of the Ottawa-Montreal Power Co., which has just been acquired by interests said to represent the International Paper Co..

Thus, should the Quebec Southern Power pass into other hands, it is not unlikely that the company would be controlled by the International Paper Co. The object of such an acquisition by the big paper producer might be to provide a wider territory which could be supplied with power by the Gatineau Power Co. The combination of both territories would provide the Gatineau Power Co. with an area in which it should be possible to increase the power consumption considerably.

Hunts Earns Preferred In First Four Months

McLeod, Young, Weir & Co., announce that Hunt's Ltd., earned its first preferred dividend in the first four months of the current year. Sales have been running better than 20 per cent. higher than a year ago.

The plant and equipment of the Fanny Candy Co., Toronto, have been acquired as part of the expansion program of Hunt's. The Hunt factory on Alcorn Avenue is being extended.

Public Utility Earnings

Duluth-Superior

2nd week	1927	1926	Change
of May	$34,269	$32,407+	$1,862

Cape Breton Electric

March	1927	1926
Gross earnings	$53,647	$48,007
Oper. exp. and taxes	42,816	41,388
Net earnings	10,831	6,618
Interest charges	5,707	5,821
Bal. for res., ret. and div.	5,123	797

Quinte and Trent Valley Power

Revenue	$17,406
Oper. exp., taxes and bd. int.	7,416
Amt. available for dividends	9,990
Pref. div. requirements	5,687

CAN WESTERN NAT GAS

	1926	1927	Increase
January	$138,443	$199,753	$ 61,310
February	126,850	193,421	66,571
March	111,770	168,005	56,235
Aggregate Earn. from Jan. 1st to Mar. 31	377,063	561,179	184,116

B C ELECTRIC

March	1926	1927	Increase
Gross Earn.	$1,043,351	$1,111,168	$ 67,817
Exp., Main., etc.	752,899	783,816	30,917
Net income	290,452	327,352	36,900
Aggregate Gr. from July 1, to Mar. 31, 1927	9,109,962	9,614,251	504,289
Aggregate Net from July 1 to Mar. 31, 1927	2,637,377	2,819,669	182,292

(Winnipeg Electric)

March	1926	1927	Increase
Gross Earn.	$ 481,795	$ 516,059	$34,264
Expenses	309,382	327,420	18,038
Net Earnings	172,413	188,639	16,226
Aggregate Gr. from 1st Jan. to end of March	1,453,826	1,570,645	116,819
Aggregate Net from Jan. 1 to end of March	546,275	583,327	37,052

Monterey Railway, Light

3 Months to Sept. 30, 1926	Gross	Expenses, incl. prov. for ren. and obsolescence	Surplus
Rly. L. and Pr.	$246,390	$250,402	*$4,012
Water & Sew.	70,114	33,055	37,058
Total	316,504	283,457	33,046
Aggregate Earn. from Jan. 1, 1926, to Sept. 30, 1926	905,396	837,704	67,692

*Deficit.

Jamaica Public Service

March	1927	1926
Gross earnings	$ 56,817	$ 52,633
Oper. exp. and taxes	35,711	37,864
Net earnings	21,105	14,768
Interest charges	6,155	6,270
Bal. for reserve, retire. and div.	14,950	8,498
12 months End: March 31	1927	1926
Gross earnings	$665,888	$632,855
Oper. exp. and taxes	395,577	394,615
Net earnings	270,311	238,239
Interest charges	74,280	77,484
Bal. for reserve, retire, and div.	196,030	160,755

Brazilian Traction

April	1927	1926	Change
Gross Earn.	$3,053,071	$3,021,732	+$31,339
Oper. Exp.	1,309,457	1,306,360	+ 3,097
Net Earn.	1,743,614	1,715,372	+ 28,242
Aggregate Gr. from Jan. 1st	11,985,500	12,156,750	—171,250
Aggregate Net from Jan. 1st	6,798,598	6,949,790	—151,192

A summary of the earnings record for the past twelve months, together with comparisons, is as follows:

1926	Gross	Net	Net Inc.
May	$3,381,959	$1,950,677	$628,463
June	3,487,237	2,037,453	687,008
July	3,531,663	1,990,805	600,016
August	3,476,995	1,962,354	376,624
Sept.	3,412,431	1,911,351	397,063
October	3,200,476	1,782,954	97,211
November	3,001,416	1,659,151	105,113
December	2,953,964	1,456,192	*258,226
1927			
January	2,975,801	1,674,929	*117,359
February	2,876,573	1,614,573	*64,214
March	3,080,055	1,765,482	2,139
April	3,053,071	1,743,614	28,242

*Decrease.

PUBLIC GOODWILL NOW REAL ASSET IN UTILITY FIELD

Sane, Commonsense Management Brings Change in Recent Years

One of the most encouraging signs of the times surrounding the public utility companies has been the better feelings which exist between the companies and the public. Customer ownership campaigns have no doubt played a part which helped to better the public's relations with the companies, but the attitude of the management of the various properties has changed materially over the past few years and this changed attitude is becoming more and more apparent all the time.

To-day, public utility executives who do not make a point of letting the public know all they can of the earnings and financial position of their properties and of telling them also some of the handicaps and troubles of the operators are behind the times.

Now Use Advertising

One example of this is the extensive advertising campaign which the Montreal Tramways Company instituted in the Montreal daily papers. From time to time, advertising of the company appears which not only tells the citizens the best way of using the street cars, but also enlists their co-operation in solving the usual problems which confront a traction company operating in a great city.

For efficient, capable and commonsense management, the Bell Telephone Co. of Canada probably ranks with the best managed companies in the world. It has long followed a policy of endeavoring to tell the public the stories of its successes and its tribulations. One of the results of such a policy was displayed when the company, about a year ago, first placed before the Board of Railway Commissioners its application for increased rates.

But No Clamor Ensued

It was thought that this action on the part of the company would have immediately brought about public clamor in all parts of the territory which it serves. But not so. There was remarkably little outcry about the company and its service.

Shawinigan is Example

The Shawinigan Water & Power Co is another example of a company which has used sensible and successful methods in its public relations policy. It has carried out and is carrying out, an interesting advertising campaign in those territories which it serves. The advertising is designed, not particularly to sell power, but to give the customers some real idea of the work which the Shawinigan management carries on so successfully. Other means have been taken also. The company has prepared moving picture films which show its water powers and its generating stations, its transmitting lines and its sub-stations. These pictures are being shown throughout its territory. An able lecturer follows the showing of the film and outlines something of the company's aims and objects and tells also some of the fundamentals of the power industry.

Relations Are Good

Broadly speaking, practically every privately owned power company in Canada has remarkably satisfactory relations with its customers—a somewhat changed condition from that which obtained not so many years ago.

Of course, there are exceptions to the general rule, but even in those exceptions, the managements are steadily working to build up mutual goodwill between the companies and their customers.

One of the most satisfactory features of the situation also is that the companies, in building up this changed public attitude, have done it without recourse to the annoying press agent. Not only is the press agent annoying to the newspapers, but he is the more annoying to the public when they eventually learn that they have been bamboozled. Fortunately there is an entire absence in Canada—so far as the public utility companies are concerned—of this form of chicanery.

The press agent, of course, does exist in the Dominion but his days are beginning to be numbered, and he is not employed by the best companies.

Customer Ownership's Part

While it is the sane policies pursued by the managements which have largely resulted in bettered public relations, yet customer ownership campaigns have certainly played their part in the final result. And the effect of such campaigns ought not to be minimized.

Two very successful customer ownership campaigns made their appearance just before the end of 1926, one in Hamilton and the other in Winnipeg.

The customer ownership movement is comparatively new in this country, although its development in the United States has been phenomenal. The nature of the campaign brings into productive use capital which in the past has been attracted into ordinary channels of investment, and sometimes into what might be called extraordinary channels.

Many Advantages

It directs the savings of wage earners, or what might be called "saving bank customers" into companies which hitherto have depended on the larger investors to take up their issues of junior securities. To the companies which have adopted this method of bettering their relations with their customers, very material advantages have accrued. Such companies have improved their credit standing, they have buttressed their position in their communities and they have also increased the power which has flowed over their wires.

Great credit is due the Southern Canada Power Company for being first in the customer ownership field. In 1922 this company gave its customers the opportunity to subscribe for its preferred stock and started a movement which has since grown and will continue to expand as the years go by.

Following the Southern Canada Power's lead, the Winnipeg Electric Company in 1925 put over a customer ownership campaign which showed that the West, as well as the East, favored such policies. The western companies were quicker to take up the idea than those in the East and the next two companies which had campaigns were the Northwestern Utilities, of Calgary, and the B. C. Electric. The last named company's campaign was extraordinarily successful.

Then, Eastern Canada was again attracted by the idea and the Montreal Light, Heat & Power Company sold shares to its customers followed by the Dominion Power & Transmission Company, in Hamilton, and once again the Winnipeg Electric.

Sold Below Market

In most instances these campaigns allowed the customers to purchase the stock at below the prevailing market level. This was satisfactory both to the customers and to the shareholders. For the customers made a profit and the companies were thus assured that their customers would retain the stock when once purchased.

The Ottawa Traction Company also distributed its shares more widely in the city of Ottawa, but no new offering was made and the shares so purchased were bought on the open market.

CANADIAN CELANESE SHARES APPRECIATE

Original Stockholders Have Made Handsome Profit on Purchase

From Our Own Correspondent.

MONTREAL.—The common stock of Canadian Celanese has been selling over the counter for as high as $55½ per share. The reason for the ten point appreciation in the price of the stock is apparently traceable to the higher prices at which the shares of the sister company in the United States are changing hands.

The Celanese Corporation of America has been meeting with good results in its sales of celanese which it manufactures under the same patents as the Canadian Celanese. The United States company's shares have been much stronger of late.

The plant of Canadian Celanese has already got into partial production but by the autumn it will be producing its own yarns. At present the yarns are imported and only weaving is carried out at the plant. The demand for the common stock comes from those who anticipate very substantial earnings from the property as soon as it enters full production.

A Handsome Profit

The present prices of Canadian Celanese preferred and common represent a very handsome profit to the shareholders who purchased the stock some time ago when it was first offered to Canadian investors. The preferred shares were originally offered at par with a bonus of half a share of common stock with each preferred.

The present market price of the preferred is 93 to 94. Thus two shares of preferred and one share of common would bring some $240 or the equivalent of a twenty point rise on each share of preferred which was purchased at the time the stock offering was made.

RGH

We Specialize in:

Brazilian Traction 6% Preferred
Canadian Celanese Ltd. Common
Mexican Light and Power
Common and Preferred
Mexican Light and Power 5% 1940
Mexican Electric Light 5% 1942
Northern Mexico Power and Development
Common and Preferred
Southeastern Power and Light,
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DIRECT PRIVATE WIRES—MONTREAL, TORONTO, NEW YORK.

"The method employed by this company in connection with its bond issue is somewhat unique and is used for the first time in Canada. Of special interest to the bondholder is the provision that all money accruing from the sale of the bonds is deposited with the National Trust Company, and can only be invested in mortgages on property or securities acceptable to the Trust Company under the terms of the trust deed."

(The Gazette, Montreal, May 20th, 1927)

6.46%

(with safety, plus common stock bonus)

An Ideal Investment for Conservative Investors

MORTGAGE EXCHANGE OF MONTREAL, INC.
190 St. James St., Montreal, Que.

Please send me full information re your offering of Collateral Trust Participating Bonds.

Name ....

Address ....

Building your future Income

COLLATERAL TRUSTEE SHARES
of the
NEW ENGLAND INVESTMENT TRUST, INC.

(Issued by the Liberty National Bank in New York, Trustee)

have paid dividends as follows:
January, 1926 — 31 cents per share
July, 1926 — 41 cents per share
January, 1927 — 53½ cents per share

Shares were first offered in September, 1925, at $9¼. Current price of $12. represents an advance of about 30%

This investment gives equal interests in the assets, earnings, dividends and growth of 80 leading companies — including U.S. Steel, Atchison, C.P.R., General Motors, Standard Oil of New Jersey and others of like quality, all listed on the New York or Boston Stock Exchange.

This investment—in which both income and principal show a steady increase — is ideal for building your future income.

Write for Circular F-5

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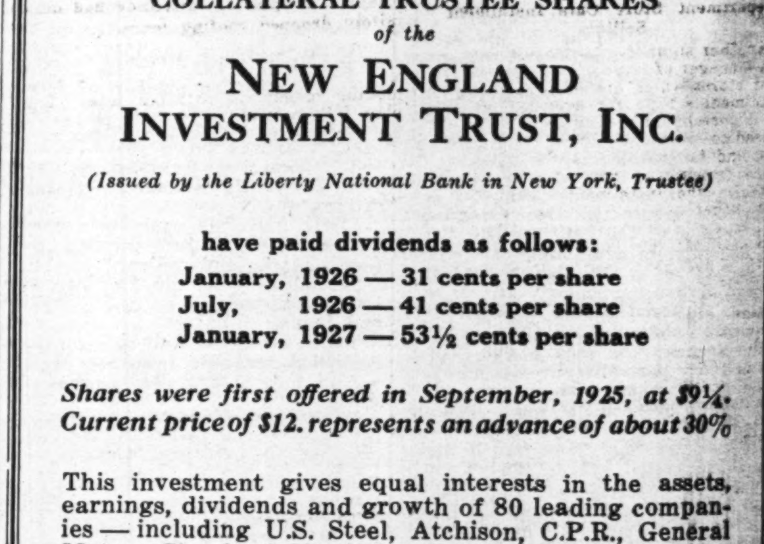
Suit 528
Insurance Exchange Bldg.
MONTREAL, QUE.

PRICE BROTHERS & COMPANY LIMITED



NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

INSTALMENT SALES OF MANY ARTICLES NOT NOW FINANCED

Loaning Companies Curtail Activities in This Direction

Canadian finance companies are curtailing their activities in the handling of instalment paper on many lines of general merchandise. So declares Hardware and Metal, which reports the results of a survey of the Toronto finance companies.

"Has instalment selling of certain lines of merchandise passed its peak in Canada? It would appear so from the experience of some of the prominent finance companies which have been operating on such lines as roofing, paint, furnaces, iceless refrigeration, washers, radios, phonographs, laundry machinery, and barber shop equipment. From this list it is clearly shown that the finance companies have given the instalment plan a thorough trial in almost every conceivable line, and the fact that a number of companies investigated by Hardware and Metal this week have decided to definitely drop every form of instalment financing, with the single exception of automobile financing, is significant.

Loan Only on a Serial Number

"'We are going to loan our money only on property that can be identified by a manufacturer's serial number', stated the manager of one prominent loan company. 'But even a serial number is not enough, and, after two years' experience loaning on various articles, we have definitely decided to drop every line with the single exception of automobiles. This is not altogether due to the fact that we lost money on such articles as radios, phonographs, iceless refrigeration, and similar standard lines that are easily identified, but is due to our experience that it is harder and more costly to collect the money on such articles, and we are now loaning only on automobiles. Our business and staff have trebled in the last two years, so it is not because we were not getting the business. But now we can pick and choose the kind of business we want to take.'

"The last remark is significant. Finance companies are organized to loan money on any security they find is profitable. The fact that they have experimented with so many varied lines is proof that they were seeking other fields in which to make money. It would not be so surprising if one finance company had decided to draw in its horns, retrench, and loan only on automobiles, but when at least three large and prominent fiance companies simultaneously announce that they will no longer take paper on radios, phonographs, washers, roofing, iceless refrigeration, furnaces, etc., and have decided not to experiment further with any other newer lines, it shows that something has seriously changed about the instalment plan of selling, because the finance companies would not deliberately drop any line if there were profits to be made commensurate with the risk taken.

Department Store Cuts Instalment Selling

"Another significant remark was made by a manager of one of the large department stores which has been carrying on instalment selling for over a year. 'We are in instalment selling only because it is used so extensively by all our competitors, and for certain lines such as furniture, practically all sales to-day are made on the instalment plan. But in many other lines we have experimented, and, on the basis of experience, find it is more satisfactory both to buyer and seller to put the business on a definite cash basis.'

"Discussing the matter in detail, this manager expressed the opinion that too many people bought a number of articles, perhaps from various firms, on the instalment plan. Their monthly payments totaled a surprising amount, and they had no money to buy anything else until they got their instalments paid. In many cases they could not keep up all their instalment payments. It appeared that these same people would be much better off, and could obtain better value for their money, if they would set aside ten or twenty dollars a month, and go out and buy articles for cash. At the end of the year they would have more real value in the articles in their homes, and would not have tied up their earnings for a lengthy period ahead, which prevented them taking advantage of cash bargains.

Manufacturers Handling Own Paper

"The finance companies report that in many of the lines they are dropping; the manufacturers are handling their own instalment paper, or have organized their own financing companies. All three claimed that this was not the reason they were dropping the business, but definitely stated that the manufacturers were forced to finance their own sales because the finance companies were dropping that particular line of business. This plan of a manufacturer organizing a finance company to discount his own sales is not new, as many automobile companies transact all their business through their own finance corporations, and still there is lots of business left for the independent finance companies.

"The underlying reason is that the finance companies find it easier and more profitable to collect loans on motor cars than on any other form of security.

Roofing Loans Proved Satisfactory

"One finance company has been loaning on roofing jobs, put on by three of the prominent roofing manufacturers. In many cases a man wanted to roof his house, and the average loan they made was about two hundred dollars. The house-owner paid probably fifty dollars down, the roof was put on by the roofing company, and the monthly payments were spread over a considerable period. The security was ample, but there was only one difficulty. The new roof could not be taken off the house if the owner fell behind in his payments. However, although sickness and loss of jobs sometimes forced owners to fall behind in their payments, the finance company stated they had been able to collect all their payments and had not lost any money. In spite of this, thev had definitely dropped roofing loans.

Blame Master Painters

"This same finance company also tried loaning money on painting jobs. The plan followed was similar to the roofing loans. In this case, the loan was arranged through the master painter who did the painting or decorating, and the experience of the finance company was not quite so favorable as it was with roofing, in which case they were dealing through a manufacturer. It was stated the master painters did the job, collected their money, and then left all the onus of collection on the finance company. If the house-owners did not pay, it was not any of their business. This attitude hurt the loans on painting jobs, as the finance company considers it is part of the bargain for the master painter to investigate the ability of the house-owner to pay, and if they do painting jobs for people whom they know cannot pay, it is considered at the very least a breach of business ethics.

"It was remarked that the same thing had occurred in the early days of automobile financing, but dealers who took paper which they knew to be worthless were gradually weeded out, and only reputable dealers who carefully investigate the standing of their car buyers can now obtain loans.

"As a result, a dealer can discount automobile paper up to five times his rated worth, if he has established a reputation for carefulness and honesty. This means that well over 80 per cent. of all automobile loans are paid on the dates due.

"Installations of iceless refrigerators in apartment houses is growing. In such cases the finance companies have been able to place a large volume of business."

Security and Service

The Factor of Safety

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BROOKS CANNOT VOTE ON COMMON AT STRATFORD

Secretary of State Submits Series of Questions to Steam Motor Company

A court order has been granted which prevents O. J. Brooks, Brooks Securities or Banking Service Corp. from voting any of the common stock held by them at the meeting in Stratford, May 27th. This was announced Thursday by F. W. Wegenast, counsel for the shareholders' committee, who applied to the court.

The court declined to interfere with the meeting, but the agreement between Brooks Steam Motors and Eureka Engineering Co., a Delaware corporation, cannot, according to this order, become effective until two weeks after the meeting even if it is ratified by the shareholders. The reason for this stay, it is explained, is to give dissenting shareholders opportunity of making further representations to the court.

Condemns Agreement

Members of the dissenting shareholders' committee are uncertain as yet if they will have sufficient proxies to control the meeting. It is reported that many shareholders in the West who could not be reached in time for the first meeting are sending in their proxies to the committee.

A meeting in the King Edward Hotel, Toronto, May 25th, developed into the usual acrimonious discussion. About 150 attended. A resolution was passed, 51 to 25, condemning the management of Brooks Steam Motors for proposing to turn over to the Eureka Engineering Co. the United States patent rights on devices perfected at Stratford.

Secretary of State Asks

The agreement in question gives to Eureka Engineering Co. patent rights in the United States in return for Canadian rights to patents which the Eureka Engineering Co. may acquire by experiment and development in the next four years.

The secretary of state for Canada has sent a series of questions to the secretary of Brooks Steam Motors. If answers are not satisfactory to the department, it is said, an inspector will be appointed to inquire into the affairs of the company.

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25	44.90
30	53.25
35	65.40
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Group Near Towagmac is Arranging Exploration

Development work on Andean Mines property in Quebec has reached a large area of disseminated mineralization on their north group of properties and Jos. Houston, E.M., who is in charge of the operations is on the property arranging for the future developments. The surface showing is reported as similar to that of the Towagamac whose property is in the same section and consequently the results of Andean are being watched very closely.

It is observed with great interest that a considerable amount of buying is going on from the American interests at this time and the recent merger of Noranda, Waite-Montgomery and Towagamac undoubtedly will stimulate interest in the Quebec field.

SAY EATON'S WILL ESTABLISH STORES ALL OVER ONTARIO

(Continued from page 1)

likely to be confined to men's wear or dry goods lines at the commencement.

"It would appear that the Eaton Company is not only spreading its mail order branches where orders from catalogue may be taken, relayed to the Toronto office by phone or wire and delivered the following day, but it is planning to supplement this, at least in certain lines of trade, with the sale of merchandise at retail. The Eaton Company conducts groceterias at Brandon, Regina, Saskatoon, Edmonton, Calgary and Fort William. These represented the company's first development into the field of retail store competition outside of Toronto and Wninipeg. Latterly, however, there have been developments of the company's business in Winnipeg and Moncton, N. B., in addition to the opening of new mail order branches at various Ontario points, and the report is that the introduction of a retail store at Sudbury is but the forerunner of Eaton-controlled retail stores at various points.

"Interviewed by Canadian Grocer, R. Y. Eaton, president of the T. Eaton Co., Toronto, declined to confirm or deny the fact that a retail store was being opened in Sudbury, Ont., or that the chain of mail-order branches was being further added to."

New Maps Cover Gold Area East of Rouyn

Two geological maps taking in townships of Villemontel, Figuery, Preissac, Lamotte, Cadillac, Malartic, Surimau and Fourniere of Western Quebec have just been published by the Geological Survey. These townships lie some distance east of Rouyn mining district and are underlain in part by the eastward extension of the geological formations of Rouyn.

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NEW ISSUE

$10,000,000

THE BELL TELEPHONE COMPANY OF CANADA

(Incorporated by Act of the Parliament of the Dominion of Canada)

First Mortgage 5% Gold Bonds, Series "B"

To be Dated June 1, 1927 — To Mature June 1, 1957

Interest payable June 1 and December 1. Both principal and interest payable in Canadian gold coin at Bank of Montreal, Montreal or Toronto, or, at the option of the holder, in United States gold coin at the Agency of the Bank of Montreal, in the City of New York. Coupon Bonds in denominations of $500 and $1,000, registerable as to principal only, and fully registered Bonds in denominations of $1,000, $5,000, and $10,000; interchangeable. Not callable prior to 1947. Bonds of this series may be called in amounts of not less than $10,000.00C on any interest date, on 60 days' notice at 105 and accrued interest, on June 1, 1947; and up to and including Dec. 1, 1953; and at par and accrued interest thereafter

THE ROYAL TRUST COMPANY, MONTREAL, TRUSTEE

Capitalization

(Upon Completion of Present Financing)

	Authorized	Outstanding
Capital Stock, par $100	$75,000,000	$49,080,400
First Mortgage 5% Gold Bonds—		
due March 1, 1955, Series "A" . . .	30,000,000	30,000,000
due June 1, 1957, Series "B" . . .	30,000,000	10,000,000

The Company owns and operates the principal telephone system in the Provinces of Quebec and Ontario, serving a territory of 831,837 square miles with 5,700,000 population, including Montreal and Toronto, the largest cities in Canada.

These Bonds will be secured in the opinion of counsel by a First Mortgage on all real estate, buildings and telephone plant, now owned or hereafter acquired by the Company. Further Bonds may be issued but only under the conservative restrictions of the mortgage. The authorized issue is limited so that the amount of the First Mortgage Bonds outstanding shall never exceed twice the amount of paid-up capital stock.

Book cost of real estate, buildings and telephone plant, December 31, 1926, was approximately $112,800,000, or over 2¾ times the $40,000,000 First Mortgage Bonds. Present actual value greatly exceeds the book cost.

Net earnings during the last five years have averaged 3.98 times bond interest charges.

	Gross Revenue	Net Earnings Applicable to Bond Interest	Bond Interest	Net Earnings Times Bond Interest
1922	$20,454,295	$3,881,168	$ 947,500	4.10
1923	22,921,590	4,757,459	947,500	5.02
1924	24,927,893	4,714,597	947,500	4.98
1925	26,956,881	5,193,523	1,313,069	3.96
1926	29,094,801	3,965,876	1,500,000	2.64
Average 5 years	24,871,092	4,502,525	1,131,114	3.98

The net earnings shown above are after depreciation charges, which in 1926 were at a higher rate than in the four previous years. The recent decision of the Board of Railway Commissioners for Canada in the Company's rate application substantially approves the 1926 depreciation charges.

Total annual interest charges on funded debt including this issue are $2,000,000. Average net earnings for the five years ended December 31, 1926, were 2.25 times these interest charges.

Dividends on Capital Stock at the rate of 8 per cent. per annum have been paid continuously since January 1, 1891. Present market price, $145 per share, indicates market value of equity junior to funded debt of more than $71,000,000.

PRICE: 102.50, and accrued interest, yielding about 4.85%.

We offer these Bonds subject to approval of counsel and if, as and when issued and received by us. All legal details in connection with this issue will be passed upon by Mr. P. Beullac, K.C., for the Company, and Messrs. Meredith, Holden, Heward and Holden for the bankers. It is expected that receipts of the Royal Trust Company will be ready for delivery on or about June 6, 1927.

Bank of Montreal

Lee, Higginson & Co. — Harris, Forbes & Company Limited

The Royal Bank of Canada — Wood, Gundy & Company Limited

Royal Securities Corporation Limited

A. E. Ames & Co. Limited — Greenshields & Co.

Dominion Securities Corporation Limited — Drury & Co.

Kerr, Flemming & Co. — The National City Company Limited

Hanson Bros. — Nesbitt, Thomson & Company Limited

The statements contained herein, while not guaranteed, are based upon information and advice which we believe accurate and reliable.

May, 1927.

THE FINANCIAL POST

Member Audit Bureau of Circulations
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Vice-President—HORACE T. HUNTER.
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TORONTO, MAY 27, 1927

CANADA'S CORNER

IN the recent Australian Supplement of the London Times appeared an article on the Dominion's representation in London and the gradual evolution of such representation to the present able high commissionership of Sir Joseph Cook. After referring to the fact that Sir Joseph is a former prime minister of Australia, who also served as an Australian delegate to the peace conference, the article brings out the fact that the high commissioner enjoys ambassadorial status in London with all that it implies.

Canada's "ambassador" to London, Hon. P. C. Larkin, P.C., enjoys similar rank and status and equally with Sir Joseph Cook is advancing the interests of his Dominion in London.

The important point that is brought out by this reference to the ambassadorial status of our high commissioners in London is the immense advance that has been made in the past quarter century in our interests in London and our system of looking after those interests The creation and establishment of "Canada House" in London as the headquarters of Canada in the Old Land was but a recognition of these facts.

Canada, as a nation, has further to go in London. The next step must be to bring all our provinces together at Canada's Corner in London. At the present time, our provincial offices are scattered throughout the big city and only the best informed Canadians in London know where all the offices are. They can not be brought under the one roof in London since Canada House will not accommodate the offices of all the Dominions but they could be brought within a door or two of one point.

Petty jealousies and the desire for provincial expression should not be allowed to interfere with the work. It is more important to sell Canada to Britain than it is to sell Ontario or Quebec, or Nova Scotia.

Mass selling engages the attention of the business world today. The automobile industry sell motor cars as a source of pleasure and profit and the whole industry advances. Florists sell the idea of giving flowers and every flower store gains in business. The ice industry sells ice and a mass counter-attack against the other forms of refrigeration. Canada needs mass selling in London.

There is undoubtedly special work for each province to do but each province should make the key note of its activities "Canada."

To sell Canada in London, let us establish Canada's Corner.

FAKE JUBILEE CHARITIES

IN ONE Canadian community, women connected with a patriotic and charitable organization are staging a pageant to celebrate connection with Canada's Jubilee. They are giving of their time and even of their money, for they are making their own costumes.

The pageant is to be held in a large hall. Substantial sums are being charged for admission. The women are selling the tickets. Those who are buying the tickets are under the impression that they are aiding in the work of the organization as well as arranging to see an interesting event. In reality, 100 per cent. of the proceeds are being paid over to the professional directors of the pageant, who will meet expenses of advertising, hall rent, ushers, etc., out of their receipts. Nothing will go to the charitable works of the society. Nothing will be returned to the women for their time and expense except the doubtful honor of seeing their names in the papers.

This is not the only example of unsavory exploitation of Canada's Jubilee. Rights are already being granted by various city councils and other bodies to different individuals for the issuance of souvenir programmes of the Dominion Day festivities.

Usually arrangements are made for the grant of a share of the profits to some charity. It may be taken for granted that the profits available for disposal to charity will be very small, a meagre fraction of the "advertising" revenues. After commissions up to 50 per cent. have been paid to the so-called "advertising salesmen" and "publishers" of these programmes, and printing bills have been paid out of the balance, there will be little left.

Canada's Jubilee should not be made the occasion for lining the pockets of fake charity managers or irregular advertising sales organizers.

SMALL LOAN COMPANIES

STILL another important loan company figures in a merger. The Canada Permanent Mortgage Corporation is to acquire the British Columbia Permanent Loan Company. There has been a long succession of these absorptions, the larger companies taking over smaller companies. The tendency is a sign of the times; inevitable, and in many ways commendable as tending to greater stability and strength among our large financial institutions. But we can, at the same time, regret the passing of the local companies with their community spirit, their wholesome encouragement of thrift habits and their decentralization of financial authority.

Mergers of loan companies reflect chiefly the narrowing spread between the "cost" of money and the "price" received for it. The days are past—for some time at least—when the mortgage companies can borrow large sums in Scotland, England and Holland, paying low rates of interest, and lend the money in Canada at reasonable margins. Money rates are holding up strongly in the older lands of Europe. Cheap money can not be had from there. At home, money rates are showing a tendency to decline. It is obviously difficult for a Canadian loan company to borrow money in Britain at 5¼ per cent and to lend it out in Canada at 6 to 6½ per cent, meeting all its costs, setting up reserves and paying dividends on its invested capital out of the small margin between the two figures.

The situation is being met by economies in management and by more aggressive exploitation of Canadian sources of fund. Economy of management. Expenses can be cut by these consolidations, it is felt. In addition, intensive sale of debentures and taking of deposits can be carried out by the larger companies.

The small loan company is not by any means a thing of the past. Even the scientific control of affairs that characterizes large financial houses can not replace the careful honest administration, the patient brick by brick building up of reserves and the intensely loyal spirit that characterize many of Canada's smaller loaning organizations.

TELL ABOUT IT

THE Evening News of London, England, is not at all satisfied with the results being achieved under the Overseas Settlement scheme of the British and Dominion governments. Not enough people are going to the Dominions, it thinks, although the Dominions offer conditions and opportunities that would improve the position of many thousands in the Old Country.

"Far better to be a happy farmer in the Dominions than to be an unhappy striker under the orders of Mr. Cook," argues the News.

The News thinks that one of the defects in the settlement schemes is that not enough people know about them. "It is unquestionable that a large number of dole drawers are content with the dole and will not make serious efforts to get work; it is equally unquestionable that the best British types loathe drawing the dole; and that they are ignorant of the offers to immigrants of the Dominion governments," says the News which thinks that the managers of the emigration schemes "might be more noisy about their splendid offers."

This plea for more advertising in Britain of the immigration opportunities afforded by Canada and the other Dominions is a sound one. Australia does more shouting than Canada; Australia got 71 per cent of last year's immigrants from Great Britain to the Dominions. Canada got 35 per cent, despite all our advantage of proximity to Britain, nearness to the United States and more highly developed prosperity.

CORPORATION TAXES

TAXATION in Canada, and particularly taxation of corporations, is not based upon fundamentals carefully studied and scientifically devised. Hit or miss emergency methods, undertaken under war-time stress, remain.

It is cheering to note that the United States government is practically committed to a policy of surveying corporation taxes with a view to their more equitable application. Such a survey would give a lead to Canada.

A thorough survey of the corporation tax field with a view to working out a permanent system of corporation taxation in the next session of Congress is recommended by Ogden L. Mills, Under-Secretary of the Treasury, in an article in the current number of Nation's Business magazine. Mr. Mills believes that the corporation tax rate is out of line, and should be revised.

The purpose of a survey, as outlined by Mr. Mills, would be to ascertain "whether the burden is excessive, from the standpoint of the prosperity of our industries; whether it is distributed with some degree of equity; where it ultimately rests; whether it is wise to tax all corporations, irrespective of their character, on the same basis and at the same rate; the extent of the discrimination between incorporated and unincorporated businesses; and, finally, whether the high rate of the corporation income tax doesn't constitute serious discrimination against the small stockholder of moderate means.

In stating that the corporation tax rate is out of line, Mr. Mills explains that he is "not reasoning so much from the viewpoint of the corporations, which, on the whole, appear to be prosperous, though, if we include taxes paid states and local units, they are undoubtedly bearing a heavy burden." In 1923, for every dollar paid stockholders, the various governments received 62 cents. "But," he continues, "I am thinking of the small stockholder of moderate means, and of the stockholder of moderate means even if his stock holdings in a small corporation are large.

"The matter is of real importance because of the present widespread investment in corporate stock on the part of millions whose income is strictly limited. Falling as their income does in the lower brackets, they would not be taxed, were it derived from personal exertions, from real property or from other sources, at more than 1 per cent or 2 per cent; but, through the corporation their proportionate share in the income of the latter is now taxed at 13½ per cent. Formerly, when the normal tax rate and the corporation rate were the same, exemption of dividends from normal tax took care of this situation. But this is no longer true."

SEE YOUR CAPITAL

CANADIANS who plan to travel this year should consider Ottawa as a place to visit. Thousands of Canadians who know New York, Chicago, even London, intimately have never visited the capital of their country. In this Jubilee Year, Ottawa will be interesting to hold additional attraction.

More excursions are run from Canada to Washington, the capital of the United States, than to Ottawa, the capital of Canada. Co-operation from the railways in advertising Canada's capital and interest and beauty would stimulate the national habit of Seeing Ottawa First.

Ottawa's parks, drives and buildings hold much of genuine appeal to all good Canadians. The parliament buildings are an architectural glory. The National Art Gallery is a record of Canadian artistic achievement.

Money has not been expended as lavishly at Ottawa as at Washington. But Canada can well be proud of its capital.

PLANNING OUR CITIES

THE measure of any civilization may well be its ability to plan ahead, as a great advocate of city planning has put it. We are indeed building our cities not for to-day but for the next generation and the generation after that. Building them for the future means a much different job than is involved in building for the present day.

City planning is only in its infancy in Canada. It has advanced further in the United States and in fact emphasis there is upon regional planning, entire urban areas, including scores of towns in one region, being planned through joint effort of civic leaders in some districts.

Civic planning is a subject that may well seize the attention of the service clubs—Rotary, Kiwanis, etc.—in order that its beneficial influences may be brought more actively to bear upon the prevention of civic problems for future Canadians.

SILENCE ABOUT SUCCESS

IT TAKES our pride down a peg when the 7,000-word annual address of the president of a large British insurance company (which is one of the largest companies in Canada) refers to Canada in only one word out of the whole 7,000. Canada is mentioned incidentally with a number of other countries as a place where the company does business. The company's assets in Canada total millions.

Yet is not "no news good news" and may we not therefore interpret the lack of reference to Canada to the fact that there are no problems regarding the Canadian business worthy of laying before the shareholders.

The real cause for regret is in the fact that when a company loses money in Canada, British newspapers and chairmen's reports are full of the details.

Another example of silence about success in Canada was given when the gigantic Imperial Chemical Industries trust was recently formed. It was not possible to gain from any of the published reports about the merger any details of the operations of the trust in Canada although some of its constituent companies have large and supposedly successful plants here. The Brunner, Mond plant, for instance. is the mainstay of the town of Amherstburg, one of Ontario's most progressive towns.

Unfinished Tasks Will Hold Brownlee in Premier's Chair

Alberta's Premier Receives Call to Wheat Pool Post

MAY TURN IT DOWN

Railways, Irrigation, Population, Telephones and National Resources Are All Problems to Alberta

PREMIER J. E. BROWNLEE.

From Our Own Correspondent.

EDMONTON.—The presence of Premier Brownlee at the International Wheat Pool Conference at Kansas City has revived to some extent speculation as to whether he will leave Provincial politics to become general manager of the central selling agency of the wheat pools. Official statements from both the pool directors and from the premier were lacking, but towards the close of last year it was widely believed that the pools had offered the position to Mr. Brownlee, and that he was attracted by it. Having just won his first general election as premier it was conceded that he would have to remain as premier until after the first session of the new legislature, but it was generally believed that he had consulted his associates as to the possibility of making the change after the session.

But reviewing the situation after the session it seems hard to see how the premier, even if he desired to do so, could escape from responsibilities of his present position. There appears to be no one in sight as a possible successor who could both cope with the administrative problems of the province and hold together the farmers' political movement on which the U.F.A. government is based.

Many Problems For Premier

Alberta has more administrative difficulties for its government to handle than exist at present in either of the other prairie provinces, and their burden falls to a remarkable extent upon the premier himself. Compared to Premier Brownlee, Premier Gardiner of Saskatchewan and Premier Bracken of Manitoba have comparatively easy tasks of government, even though they may have more strictly political worries.

First in importance is the railway problem. Both Manitoba and Saskatchewan ventured into the dangerous business of railway guarantees, and both escaped harmless from the venture, with the lines for which they made guarantees now included in the Canadian National system, and presumably paying. Alberta, like British Columbia, had worse luck, and as a result of its guarantees, now has on its hands a fairly extensive railway system, most of it designed to open up the Peace River and other territories north of Edmonton. None of these pay their operating expenses, and the annual cost of operating losses and interest on a railway debt of $42,000,000 is now at the rate of three million dollars a year, or approximately one-quarter of the province's annual revenues. Last November the province became complete owner of the E. D. and B. C. Railway, and the Central Canada Railway by paying $1,275,000 to extinguish the Royal Bank's claim of $3,000,000 against the common stock of these lines. The lease of these lines by the Canadian Pacific Railway, which had been operating them on a basis that left the province responsible for deficits, was concluded, and failing any satisfactory arrangement to have them operated or taken over by either the C.P.R. or the Canadian National, the government commenced operation itself, making an exclusive arrangement with the National lines for the interchange of traffic at Edmonton and the use of Canadian National terminals there. This agreement is to last for one year only.

Southern Cities Object

It is objected to by cities in the southern part of the province, situated on C.P.R. lines, which claim that it results in discriminatory freight costs in doing business with the Peace River country, but has resulted in lower costs to settlers in shipping out livestock and grain. From the province's standpoint the only satisfactory solution appears to be sale to the National system, with the Dominion government assuming part of the burden because of the colonization nature of the lines. Essentially these are short haul feeder lines, and the bulk of the earnings on traffic which they originate must go to connections beyond Edmonton. Increasing business in the north may ultimately make the through traffic so desirable that the two great systems will bid more for the privilege of controlling the traffic than they have yet done, so that the cost of operation and some part of the capital cost may be covered. But it seems highly likely that the provincial government, or the Dominion government if it can be persuaded to that course, must ultimately write off a large part of the capital cost as a contribution to colonization work. In time that may be regarded as money very well spent, for the resources of the Peace River country, and its desirability for settlement have been proved. but for the present it is decidedly more than the province can conveniently afford.

Natural Resources Still Problem

Then there is the natural resources question which still remains unsettled. The recent decision of the Supreme Court, declaring valid section 17 of the Alberta Act, under which the separate schools of the province are maintained, seems to show that the school lands sections of the Dominion bill returning the natural resources of the province of Alberta, over which the two governments disputed, are of no importance, and that the position of the separate schools of the province would not be strengthened by their enactment. But whether the Dominion government will yield, and abandon the disputed sections as not mattering, or the province will give way and accept them as of no importance, remains to be seen. The settlement of the question, if and when it takes place, will be peculiarly the work of Mr. Brownlee, and it is hard to imagine him willing to abandon the task before it is concluded, or others willing to take over the problem in its present state. Alberta, it is to be remembered, on account of the great importance of its coal, oil and natural gas, the revenue producing possibilities of these resources, and the possibility of more rapid development under provincial auspices, made a compromise settlement of the question with the Dominion government, and accepted an arrangement not agreeable to Saskatchewan, and one which Manitoba would absolutely repudiate. The people of the province are intensely anxious to see the transfer of these resources to Alberta completed, not because of some slight improvement in provincial finances expected, but because of the desire to see them developed more rapidly and efficiently.

Problem of Power Development

Wrapped up to some extent with the natural resources question is that of the development of water power on the Spray River near Banff in Rocky Mountain National Park. Because of its inclusion in a national park control of the power site is not included in the natural resources bill. Private interests have applied for the right to develop it, and the Dominion government is still doubtful if development should be allowed at all, because of the damage to the scenic value of the National Park. Alberta insists that development would do no harm to the park, and the government demands that it be sanctioned, but that license should be issued to the province, which might carry out the project itself or in turn grant authority to private enterprise. The Dominion government will go no further than to say that if it is decided to permit development, and if Alberta wants to make it a publicly owned enterprise it can have the preference, but the minister of the interior, Hon. Chas. Stewart, insists that any private enterprise undertaking the work must deal directly with the Dominion. The Alberta government intimates that it has not yet decided as between private and public ownership, but that it wants quick action. But although both governments talk as if public ownership of the projected development were possible, it is quite out of the question in the present state of Alberta's finances. Even if the money could be borrowed without damage to the province's credit, the government simply cannot afford to take the chance of having on its hands another unprofitable enterprise.

Telephone and Irrigation Projects

Alberta's telephone system is responsible for 22 million dollars of its total debt of 84 millions. Saskatchewan developed its provincial telephone system only to serve the cities and to provide trunk lines for long distance services, with rural service provided by a great number of small municipally owned companies. The total cost of the latter method may be as great as Alberta's, or even greater, but it has the merit of keeping the burden off general provincial finances, and making different districts carry the cost of their own services. Although the Alberta system nominally carried itself and had a surplus last year to provide for depreciation this was only attained by making a grant to the system of $177,000 designed to carry the burden of unprofitable extensions, and this subvention is to be continued for ten years. It is almost inevitable that the system will before long call for large additional investments on capital account.

The Lethbridge northern irrigation project has tied up several million dollars of provincial funds, and it must be several years yet before it can carry itself. Another problem is the transfer of settlers from certain dry areas of the province where there is no chance of farming being successful and the reversion of the land to cattle ranching. A start has been made on this work, but much remains to be done.

Secondary education in the province is crying out for assistance, and some means has to be found for making accessible high schools to the children in rural school districts which are not able to provide such schools.

Go After More Settlers

All these problems do not alarm the people of Alberta. No part of Canada has a more firmly fixed faith in its own destiny, or a greater pride in its own resources than has Alberta, but for the immediate present they demand the best administrative capacity that the province can command. More than any other province it has a pressing need for more population, and many of its difficulties will disappear when it has two or three hundred thousand more people to make use of facilities now available. It was realization of this that resulted in the sending to Great Britain of former Premier Greenfield as the province's own immigration commissioner. The province could not wait for the Dominion government to bring in the immigrants so urgently needed; while, on the other hand Alberta's wonderful agricultural production, aggregating more than 500 million dollars in the past two years, make the province an inviting field for settlers.

Wood is in Dilemma

H. W. Wood, president of the U.F.A., president of the Alberta Wheat Pool, and unchallenged czar of the farmers' movement in Alberta, is the close friend and associate of Mr. Brownlee, and Brownlee, rather than Greenfield, was his first choice for premier when the U.F.A. government was first formed. No matter how much, in capacity as head of the wheat pool he might like to see Mr. Brownlee at the head of the central selling agency, he could not, without grave concern as head of the U.F.A., see Mr. Brownlee's disappearance from provincial politics. Even dearer to Mr. Wood's heart than the wheat pool is the theory of the organization of Alberta farmers on a class conscious basis for the establishment of group government. The theory appears to be working at present, because with the U.F.A. in control of the legislature they have at the head of the government a man in whom most of the people of the province has confidence. If Alberta's problems were legislative the theory might go on working no matter who headed the government. But the problems of the province are almost entirely problems of administration, and the whole theory of the organized farmer group would collapse as soon as it put in power a man in whose ability the province did not have confidence.

Likely to Stick to Job

And then the position of head of the central selling agency is not as attractive as it sounds. A certain diversity of interest exists between the provincial pools. Alberta has the Pacific Coast outlet, the full advantage of which it demands. Saskatchewan has most of the wheat. The central selling agency operates terminal elevators, and so also do both the Alberta and Saskatchewan provincial pools. A still greater diversity of outlook exists. There is a strong faction in the Saskatchewan pool to whom Aaron Sapiro is a heaven-sent hero, and who will not be satisfied until they see Mr. Sapiro playing a leading part in the affairs of the Canadian pools. And in Alberta they do not think they need Mr. Sapiro any more. There are decided possibilities of trouble in the future for the man who undertakes, as general manager of the selling agency, to keep these divergent interests and divergent outlooks reconciled.

Summing it up, it would seem to an observer on the outside that the call of Alberta on Mr. Brownlee's services is likely to prove stronger than the call of the pool.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Western Canada Flour

Would you please advise about Western Canada Flour Mills for the small investor? I have $500 and can buy the 6½ per cent. preferred to yield 6¼ per cent.

The earnings of Western Canada Flour Mills have been consistently good for a number of years and there is no reason to anticipate that the preferred stock would not be a satisfactory investment for you.

Mexican Light

What is your opinion of Mexican Light at this time?

Reorganization of Mexican Light, Heat and Power Company which is about to take effect will improve the position of the company and ultimately should enhance the value of the common stock. We understand that the company is showing betterment in earnings and if the present Government continues to maintain order in Mexico, the investment should be satisfactory.

Toronto Brewing

Will you kindly favor me with your views of Toronto Brewing & Malting at $12 the share? Would you consider this a good investment?

Toronto Brewing & Malting Co. is a new company organized to take over an old brewery which is being enlarged. The company probably is not over capitalized and, assuming that the consumption of legally brewed beer is going to increase under the new Ontario law, the result should be good from the viewpoint of a shareholder.

Arnold Bros.

We would be glad to have your opinion of the following stocks: Arnolds common, Cosmos and Vipond.

If you are not already in possession of Vipond Mining Stock you would be well advised not to buy it. The future of this stock is highly speculative and the chances of profit appear to be greater in some others of the mining stocks. We would advise purchase of stocks in mines which are now producing and paying dividends.

Cosmos Imperial common stock is an excellent industrial speculation. The company is earning well and assuming that unforeseeable circumstances do not develop, dividends on the common stock should be in sight within a year.

The common stock of Arnold Bros. is somewhat speculative at this time in view of the fact that the company has taken on 64 new stores. These stores appear to be doing a good business and eventually there is reason to hope that earnings will be satisfactory. Nevertheless in this period of adjustment difficulties are inevitable, the position of the stock is dependent on the company's ability to overcome the difficulties.

Duluth-Superior

What do you think of the following stocks for a buy?
Cosmos Imperial Mills at $21.
Alberta Pacific Grain A at $21.
Duluth-Superior Traction common at $30.

We have considerable faith in the future of Cosmos Imperial Mills. The stock at prevailing prices appears to us to be somewhat cheap.

Alberta Pacific Grain also is promising.

Duluth Superior Traction at this time is not in such a favorable position as could be wished, but we believe at the present price is good for a long hold.

National Grocers Common

Will you please give me your opinion of National Grocer's common stock?

Dealers in unlisted securities in Toronto are quoting National Grocers common stock at $1.00 bid, $4.00 asked. There is not an active market for the stock.

This company has not been in existence long enough to justify an opinion as to the future of the common stock. The result of the first year's operation is satisfactory. The first year, undoubtedly, is the most critical in the history of mergers. The position of the company should steadily improve, assuming that no new form of competition is likely to face the wholesale grocery trade.

Stanley Realty

Will you please give me your opinion on Stanley Realty Corp. bonds of Montreal?

The bonds of the Stanley Realty Corporation appear to us to be a reasonably safe investment. The corporation will operate the Dominion Square Parking Garage on Stanley Street, Montreal. It will be the largest terminal garage in the Dominion. The increasing number of motor cars, the congestion in the cities, and other factors, lead to the hope that this business of parking garages will increase materially.

Under reasonably good management the investment should be highly satisfactory.

Asbestos Preferred

What do you think of the preferred shares of the Asbestos Corporation? I have two boys who have just left school and who are in employment. They are anxious to invest their savings. The foregoing shares have been suggested to me and I should like your opinion regarding other possible stocks.

The Asbestos Corporation preferred is a satisfactory stock which at present prices returns the investor a very good yield. In our opinion, this is a security which would be suitable for any individual who was looking for a preferred stock to increase the average yield of his holdings. But for boys who have just left school, who are interested in accumulating some savings, we believe that either a first-class bond issue or a first-class common stock with a record of success over many years, would prove more suitable.

Your boys are not interested particularly in the yield of the stock—they are more interested in an appreciation over a term of years.

Therefore, we would suggest some stocks such as Montreal Power and Shawinigan, which, while the return is low, yet over a term of years, will in all probability give your sons a handsome stock market appreciation.

Incidentally, the preferred shares of the Asbestos Corporation are non-cumulative.

Brompton

What do you think of the common shares of the Brompton Pulp and Paper Company? What are the weak points about the stock?

Ultimately, we look for higher prices in the common shares of the Brompton Pulp and Paper Company. We regard the stock as a long hold proposition for a business man.

Perhaps the stock is at present selling below its real value, for while part of Brompton's output consists of newsprint paper, we understand that its total output has been sold for a period of years to large U.S. publishing interests. Thus, the hesitancy in the newsprint market would not have the same effect on Brompton's earnings as perhaps on some of the other companies.

In addition the company has a big range of pulp and paper products which it manufactures both here and in its U. S. plants. In the past, one of these U. S. plants has not brought in satisfactory earnings, but we look for some improvement in the future.

Thus, you can see that Brompton common is a speculative stock but one which we believe holds attractions for the long pull, for the company has ample wood resources which in the last analysis is the real basis of a pulp and paper company.

The weak point about the company is, of course, the fact that earnings from one of its U. S. plants have not been satisfactory. If in the future the U. S. plant can not find better markets, it seems to us that Brompton's earnings will run along at much their present levels.

Stock or Debentures

Which would you advise me to buy: Ottawa Light, Heat and Power preferred, or the Lake St. John Power and Paper Company's debentures with a bonus of common stock?

You are comparing securities in different fields.

Ottawa Light and Power preferred is an excellent stock in the preferred class.

The earning power behind the issue is backed up by the purchasing power of Ottawa for electric light and gas service and we should say that the stock is pretty well gilt-edged.

On the other hand, the mortgage debentures of the Lake St. John Power and Paper Company are secured by a project not already completed, but which has the guarantee of the Hearst papers to absorb the entire output of the mill at a price which will provide for the interest on the debentures. The Hearst interests are strong and this is what lends the strength to the mortgage debentures of the Lake St. John Power and Paper.

Coupled with this also you have the bonus of common stock which, with a long hold in view, looks fairly attractive to us.

Looking, say, five years hence, the common stock bonus with the Lake St. John issue makes us perhaps inclined towards the purchase of the debentures. But you must remember that the issue is naturally more speculative. It must be so because the project has not yet been completed.

With the Ottawa Light, Heat and Power preferred you can look for only a minor appreciation in the stock over a term of years, whereas with the Lake St. John common bonus you can look perhaps for a very substantial increase.

German Bonds Again

I am a new subscriber to The Financial Post and wish that I had become a reader before, because I got caught by a high-powered salesman who left me a sadder and a wiser man with several quires of German bonds. I wish you would be good enough to let me know the present value of the following products of the German printing presses:
German Government Treasury Board 8's of 1915.
City of Cologne 8's.
German Government Enforced Loan.
United North German Bank 12's.
Bavarian Water Power Bonds.

The present quotation of your German Government Treasury Board 8's of 1915 is from 7c. to 12c. per million marks. This issue is now redeemable in the new Debt Liquidation Loan of Germany. The bonds for exchange must be surrendered before June 30. Therefore we should advise you to forward these bonds immediately to the head office of La Banque Canadienne Nationale in Montreal. The bank will exchange the issue for you without collection charges.

If your city of Colonge 8 per cent. bonds are dated 1923, we do not think that you can obtain any quotation on this issue at the present time. There seems to be no interest in these bonds but later you may obtain a quotation.

The German Government Enforced Loan bonds are not redeemable in the new Liquidation Loan. We understand though that there is a speculative market for these bonds between $6.25 and $7.25 per million marks.

There are two issues, we understand, of United North German Bank 12 per cent. bonds. One issue is quoted at 50 cents per million marks and the other issue is quoted at 25 cents per ten million marks.

There is a nominal quotation of $5 per million marks for the Bavarian Water Power Bonds. You may have some difficulty, though, in selling this issue. The situation surrounding all these peculiar German issues is very involved. Our advice to you is to immediately get in touch with a reliable foreign bond broker who will give sound advice regarding whether you should dispose of or hang on to your holdings. If your banker cannot recommend you to such a broker, we shall be pleased to do so. The enforced loan bonds look like a sale to us.

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J-47

When Women Invest

Tips Sometimes Work Well, But They Should be Only Preliminary to Investigation Before Investing.

A REGULAR FEATURE

Playing tips on the stock market is like playing tips on horse races. Both are gambling. In the end, gambling is unprofitable from the viewpoint of returns, although there are many who consider the excitement worth the price.

It is assumed, however, that persons who read this column are interested not in gambling for excitement, but investment for the assuring of future independence. To these it would be urged that they pay little attention to mere tips.

"Why did you buy Blank common?" the writer asked a woman recently.

"Because Mr. So and So said that it would increase in price soon?" came the prompt reply.

No Questions Asked

Mr. So and So knew whereof he spoke, but merely because he spoke did not make the investment a wise one. It is trusting blindly to unverified statements that so frequently causes losses in the stock exchange.

Why did Mr. So and So consider this stock certain to increase in value soon? The woman had not inquired. If she had gone into a department store and had been approached by a clerk with a view to her buying goods at almost any price, on the assurance that the goods were valuable, she would not have accepted the clerk's brief opinion without verification from her own experience or otherwise. But she buys stocks with no investigation whatever merely on the recommendation of someone who bears to the stock market a similar relation to the relation of the department-store clerk to the dress goods market.

In this instance, the stock has risen. But it has not risen because a certain broker said it would rise, but because the company is a sound one, with an assured market for its products, a progressive and aggressive management and profits almost sure to increase so long as the country continues to grow and prosper. But the woman did not know that. She did not know the company. She did not know its management, its goods or its policy. She became a partner in an enterprise without knowing anything about the enterprise. If her husband had become a partner in an enterprise without knowing something about it, she would have felt justified in sending him to the psychopathic ward.

Men Should Inquire, Too

This is not to say that men do not make the same mistakes in buying stocks that women do. If a local garage man decides that he needs more capital and approaches one of his customers with a view to inviting him to become a silent partner in the enterprise, the customer, if he considers the proposition at all, will investigate the business thoroughly, then decide whether the growth predicted, is probable, whether the manager is a capable business man as well as a mechanic, whether he does a cash business or is a good or a poor bill collector, and a hundred and one other matters. And perhaps the entire investment is not more than a few hundred, or a few thousand dollars.

Yet the same man would not do anything surprising, or unusual if, when he decides against such an investment, he puts the same amount of cash into stock in a company that he knows nothing about, merely because a comparative stranger has assured him that there would be an advance of a few points on the market.

Buying a Partnership

It is safe to predict that within the last few weeks or months thousands of investors, or speculators, have put large sums into International Nickel because they have heard in stock brokers' offices that Nickel is sure to rise in price materially before the end of this year. In this instance, too, there is nothing wrong with the information, but the investor is acting contrary to the true principles of investment when she invests before she investigates. She would investigate further if she forgot that she was buying a stock and remembered that she was buying an interest, a partnership, in a business.

POST-Scripts

"ENGLISH as she is spoken" is sometimes open to misinterpretation. Take, for example, the case of a woman who recently appeared before the council of a small Western municipality, seeking compensation for her husband, who had broken his wrist while digging a sewer for the town.

After explaining her case, the chairman of the council said: "Have you asked the Workmen's Compensation Board for relief?"

"Yes," replied the woman, "but they refused to take any action in the matter."

"Well, then, we cannot do anything for you. The town has paid wages to your husband while he was laid-up and that is as much as anyone can expect."

"But," said the woman, "my husband is not a taxidermist."

The chairman was somewhat mystified by this statement, not being able to see any connection between digging sewers and the ancient art of taxidermy. He grew still more confused when the woman kept repeating her statement and it was not until one of the councillors explained that woman meant "ambidexterous" and not "taxidermist" that the matter was cleared up.

CANADIAN woollen mills make a wide variety of cloths that meet practically every requirement for the clothes of either men or women. Naturally the variety of patterns is not as great as is produced by the combined looms of British, American and European mills and so the Canadian woollen mills, even if they had more adequate tariff protection than is now afforded them, could not hope to hold 100 per cent of the Canadian business. But their patterns offer much in novelty and the quality is recognized as excellent. It is only the innate habit of women—and men—to like imported clothes that prevents greater recognition being given to the quality product Canadian produces in woollens.

The daughter of a woollen manufacturer in Ontario visited Toronto some little while ago and purchased a tweed dress. When she got home she displayed it with some little pride to her father and said: "The English certainly know how to turn out snappy woollen cloths. Why don't you try to produce a product like this one, for instance?"

"Daughter; all I can say that is you are now a walking advertisement for your father's factory" replied the manufacturer. "The woollen cloth from which that dress was made was woven in our factory."

IT WILL undoubtedly be a surprise to many Canadians to know that the northern inland town of Prince Albert, Saskatchewan, is the centre of a ship building industry. Moody's Municipal Service—the bible of American bond dealers—is the authority for this statement. In the last published edition, this growing town is described as being in a district of "enormous forests, deposits of brick and pottery clay, also copper, coal, iron and gold mines in the vicinity. These resources together with the splendid water power available make it an important manufacturing centre. Industries include lumber, saw, planing and flour mills, brick and shipbuilding yards." Truly a land flowing with milk and honey.

It is understood that the "shipbuilding yards" have not been particularly busy of late. The citizens of Prince Albert are not lacking in initiative and now that Moody's have told the world, we may expect to see in the next census of manufacture shipbuilding listed as one of the important industries of the province of Saskatchewan.

A BRITISH financier is pleased to tell on occasion a story concerning an eminent literary light of London, Eng. This author relates that he had only made one successful mining investment in all his life and this investment had turned out very well.

"It was a British Columbia mine," the author would proceed. "They did not find anything in the mine but before they had spent all their money they went in for fish canning and the shareholders all got good dividends out of the fish canning business."

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News of Investment Markets

PROPOSE SETTLE C.N.R. DEBENTURE HOLDERS' CLAIMS

Dominion Government Said To Be Ready to Reopen Question

An offer for settlement will be made shortly by the Dominion Government to the holders of the 5 per cent. Canadian Northern income bonds. This information comes from a reliable source and while nothing is known as to the terms, it is thought that the attitude of the government in previous negotiations precludes any possibility of a liberal settlement. It will be remembered that last Fall the bondholders committee and Sir Henry Thornton reached an agreement, which when submitted to the Hon. J. A. Robb for approval was vetoed.

These debentures have had a turbulent career since they were first offered in London in 1910 at 95. The total issue amounted to about $24,000,000 and was secured by a first mortgage on the whole undertakings of the company present and future, including rights of way, terminals, rolling stock, equipment, tolls, income revenues, franchises and all real and personal property. The highest price at which the bonds have ever been sold was 106, which was the current quotation in April, 1912. From that time they slumped until a few years ago they were selling around 30. As the date of maturity approached (May 6, 1920,) the bonds increased in value and last week were quoted at around 72.

Thornton Offer Vetoed

At the beginning of October last year, Sir Henry Thornton announced a plan of conversion which would give the holders of the debentures a 4½ per cent. stock, maturing in 1970, and unconditionally guaranteed as to principal and interest by the Dominion Government. Shortly after this announcement, Hon. J. A. Robb, minister of finance, stated that the government would not authorize the reported offer.

Bondholders Insist on Rights

Since the non-payment of interest on bonds and the taking over of the road by the Canadian National Railways, position of the holders has not been at all secure. The Dominion Government has taken the stand that they are not responsible for payment of interest as long as the railway is not earning it and, moreover, state that it is under no obligations to pay the principal. The bond holders claim that despite the purchases of other lines in connection with the Canadian National Railways, the Canadian Northern remains a separate entity, but, continuing the joint system of accounting, the Canadian National Railways company is applying earnings which otherwise would be available for debenture charges to the payment of losses by railways which have never been part of the Canadian Northern Railway. The bondholders' committee insists on three things:

1. That the Canadian Northern income bondholders have an indisputable right to a statement as to the earnings of the Canadian Northern Railway separate from the other divisions of the Canadian National Railways.
2. That a new statement shall be given to the committee with regard to the ranking of the Canadian Northern five per cent. debentures, compared with the government's advances to the company, and what action, if any, has been taken by the government concerning such advances.
3. The committee asks for information apropos of the corporate structure of the Canadian National Railways Company and whether the directors are securing efficient operation in the present system of routing traffic.

The point is also raised that the Canadian Northern lines, being the most essential part of the system, and probably the largest earning unit of the whole railway, is entitled to more than any ordinary consideration. It is claimed that with a separate accounting system, it would probably be shown that the line is earning interest on its bonds. Under the present system it is impossible to determine this. Moreover, the English investors put their money into the railway and by so doing are entitled to a reasonable return on their money, but the action of the government in placing the Crow's Nest agreement into force, seriously cut into revenues. This action, it is stated, was not fair to the bondholders and should be rectified.

In the event of the proposed agreement it is not favorable to both parties, the bondholders will have to sit back and wait to see what action the government will take when the bonds mature in three years' time.

Refinancing of Government Loans Will Effect Saving

An annual saving of approximately $1,000,000 will be effected in interest shares to Canada by the proposed plan of refinancing in respect to Dominion loans maturing this year.

Three financial obligations are to be dealt with during the next seven months. The largest of these maturities is a portion of the 1917 Victory loan, 5½ per cent. tax free, amounting to $63,437,250, expiring on December 1. The loan, it is stated, will be redeemed by the flotation of a new loan at a reduced rate of interest. On November 1, the 5½ per cent. renewal loan of 1922, totaling $29,068,400, will mature. A portion of this loan, at least, will be reduced in cash and the balance, if any, will be redeemed by the flotation of a new loan. It is also expected that the three year 4 per cent. notes, amounting to $8,000,000 and falling due on November 15, will be redeemed in cash.

BURT'S NEW PLANT

The large new addition to the plant of F. N. Burt Company in Buffalo has been completed, and equipment from the old second plant moved in, and is in operation. Undoubtedly, the consolidation of the operations of the company under one roof, will make for substantial economies. Furthermore, the addition is sufficient to allow for expansion in operations. Officials state that expenditures for this plant, which amounted to over $500,000, have been met out of surplus earnings and that no financing in connection therewith is contemplated.

B.C. Permanent Sells To Can. Permanent Loan

Directors of British Columbia Permanent Loan announced in Vancouver this week that they have agreed to recommend to shareholders the sale of the company to the Canada Permanent Mortgage Corp., Toronto.

The merger will become effective on the formal acceptance of the proposal by the shareholders of both companies. The price to be paid is $153 the share, partly in cash and partly in the debentures of Canada Permanent. Paid-up capital of B.C. Permanent is $945,529 and total assets are in excess of $3,000,000.

WESTERN GAS CO. ISSUE PREFERRED

Part of Proceeds Will Be Used to Retire First Mortgage

For the purpose of retiring the 5 per cent. registered debenture stock, the Canadian Western Natural Gas, Light, Heat and Power Co., are offering to the public through Wood, Gundy and Co., $1,700,000, 6 per cent. participating sinking fund preference shares.

At the present time, the company has outstanding $1,178,445 debenture stock. It is proposed to retire these securities by setting aside an equal sum to be derived from the sale of the present issue of preferred shares. When this is done, the preference shares will be, in effect, the senior security of the company.

The business of the company consists of the production and distribution of natural gas for heating and industrial purposes to the city of Calgary and Lethbridge and the towns of Granum, Claresholm, MacLeod, Nanton, Okotoks and Brooks. The company serves a population of approximately 85,000. The number of consumers to whom gas is provided has increased from approximately 5,000 in 1913 to in excess of 15,000 at the present time.

Details of the issue follow:

$1,700,000
Canadian Western Natural Gas, Light, Heat and Power Co., Ltd.,
6% Participating Preference Shares

Business—Distribution and production of gas for heating and industrial purposes to a number of cities and towns in the southern half of the province of Alberta.

Properties—Owns 21 producing gas wells, mainly in the Bow Island and Foremost Gas fields. Has also agreements for the supply of gas from Royalite Oil Co., and to purchase gas from wells owned by the Canadian Pacific Railway in the Bow Island field. Distributing system includes 279 main trunk line, 19 miles of field pipe lines and 185 miles of distributing mains in the cities and towns served.

Capitalization—
(Upon completion of present financing)

	Authorized	Outstanding
5 per cent. 1st mtge. deb. stock	......	*$1,173,455
6 per cent. cum. partic. pref. shs., p.v. $100	$3,000,000	2,600,000
Ord. stock, p. v. $100 ...	8,000,000	8,000,000

*There will be placed in escrow with Montreal Trust Company as Trustee the sum of $1,173,455 for the exclusive retirement of this debenture stock. The preference shares, therefore, will be, in effect, the senior security of the company.

Earnings—For the three years and three months ended December 31, 1926, net earnings available for dividends on preference shares and income taxes, amounted to $436,429 per annum, equal to over 2.8 times dividend requirements on all preferred shares now outstanding.

Assets—Tangible assets, determined by the Public Utility Commissioners for the Province of Alberta for rate making purposes, were valued, as at November 16, 1926, at $6,192,440, or equal to $238 for each $100 of par value of preference shares now outstanding and including those to be issued.

Sinking Fund—A sum equal to 2 per cent. outstanding at any time commencing with the fiscal year ending December 31, 1930.

Safeguard—Trust deed contains specific reference to the issuing of further securities, ranking equal with or prior to preferred shares.

Offered—Wood, Gundy and Co., at 97 and accrued interest, yielding 6.19 per cent.

Twelve Investment Offices for Your Convenience

We maintain twelve offices, situated throughout Central and Eastern Canada, all connected by private wire.

In addition, we are members of five exchanges, and maintain trading connections with leading financial centres.

Such an organization offers investors more than the usual facilities for the sale, purchase, or valuation of securities.

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Members: Montreal Stock Exchange, Toronto Stock Exchange, Montreal Curb Market, Winnipeg Grain Exchange, Chicago Board of Trade

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INVESTMENT TRUST OFFER DEBENTURES

Company Will Combine Trust and Holding Features; Strong Governing Body

An offering of $4,000,000, 20-year 5 per cent debentures, of the Investment Bond and Share Corporation is being made this week by a strong Canadian and American syndicate.

This company was recently incorporated in the province of Quebec for the primary purpose of investment and re-investment of its resources in selected obligations and shares both domestic and foreign. The corporation's assets will consist mainly of securities and cash and its revenues will be derived from interest and dividends on its holdings, together with such profits as may accrue from investment turnover. The corporation is also authorized to participate in underwritings, which will be done on a favorable basis.

Upon completion of the organization, the board of directors will consist of: Sir Herbert Holt, president; Ernest Iselin, of A. Iselin and Co., vice president; and J. H. Gundy, president, Wood, Gundy and Co., Geo. H. Montgomery, Montreal Light, Heat and Power Cons., Geo. E. Turnure, Lawrence Turnure and Co., New York, and R. M. Young, A. Iselin and Co., New York, all directors.

Particulars of the issue follow:

$4,000,000
Investment Bond and Share Corporation
20 Year, 5% Gold Debentures, Series A
Dated June 1, 1927. Due June 1, 1947.

Company—Primary business will be the investment and re-investment of its resources in carefully selected obligations and shares both foreign and domestic.

Assets—Will consist mostly of securities and cash.

Capitalization—
(Upon completion of this financing)

	Authorized	Outstanding
Gold debentures	$15,000,000	*$4,000,000
6 per cent. cum. pref. shares, par val. $100	5,000,000	1,750,000
Com. shs., n.p.v. ...	300,000 shs.	140,000 shs.

*Of Series A, 5 per cent.

Security—Upon completion of present financing company will have cash and investments of at least $5,750,000. The debentures will be a direct obligation of the Corporation and will be further secured by a floating charge on all assets. Other safeguards are mentioned in the Trust Deed.

Dividends—Fixed at the rate of 6 per cent. per annum.

Voting Power—Holders will have no voting power save when so long as dividends thereon are two years in arrears, during which time each preferred share carries one vote.

Redeemable—In whole or in part at 105 and accrued and unpaid dividends. Priorities and rights attached to preferred shares can be altered only by by-law confirmed by the votes of holders of at least 75 per cent. of the preferred shares outstanding.

Offered—Wood, Gundy and Co., Toronto; A. Iselin & Co., and Lawrence Turnure and Co., both of New York City, at a price of 100 and interest, to yield 5 per cent., with attached warrant for ten shares of no par value common stock with each $1,000 principal amount of debentures.

HW HAMILTON, WARNER & Co.
Bonds: Government, Municipal, Corporation
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We recommend
WOLTHAUSEN HAT Corporation Limited
Common Stock at the Market Price
Write for particulars
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Investment Securities
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McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

High-Grade Bonds
Government
Municipal
Public Utilities
Industrial
Versailles Vidricaire Boulais
Head Office: Versailles Building, Montreal
Tel. Main 7080

Matthews & Company
Limited
Government Municipal and Corporation Bonds
Investment Bankers
255 Bay St. - Toronto

MURRAY & COMPANY
Specializing in Government, Municipal and Corporation Bonds
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ADELAIDE 6077-78 TORONTO

K. H. Kompfe & Co.
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CALGARY, Alberta

TRAYMORE LIMITED

7% Cumulative Sinking Fund

Preference Shares
(Par Value $20)

Carrying bonus of one share of Common stock with each $100 par value of Preferred purchased.

Board of Directors
G. G. PLAXTON, Toronto, President.
GEO. W. WAGAR, Montreal, General Manager.
D. N. C. HOGG, Montreal.
H. W. STEWART, Toronto.
J. A. GAIRDNER, Toronto.
O. A. DOHERTY, Toronto.
J. K. M. ROSS, Montreal.

Chain Restaurant Investments Earn Large Increments

Early investors in well-established chain restaurants have profited highly from these ventures. On three chain restaurants, profits on original investments have amounted to from 273.3% to 543.8%.

The economic advantages of chain restaurants make such increases possible. Chain restaurants are able to give infinitely better service than individual units. They are able to give a wide range of the best food at moderate prices and with quick service. And each year they are benefitting increasingly from the patronage of apartment dwellers and of those who find it difficult to obtain domestic help.

The past record of

TRAYMORE LIMITED
(Dominion Charter)

a chain operating in Toronto and Montreal, points to the probability of a similar financial success. The business has a record of 15 years of unbroken success, each of the restaurants opened having been profitable.

The present offering of 7% sinking fund cumulative preference shares (par $20) provides funds for expansion. Each of these shares carries liberal conversion privileges which, with common stock bonus, make it possible for holders to participate in the excess earnings of the company. There is every indication that common stock will show high earnings, as present net earnings are substantially over twice preferred dividend requirements and estimated earnings after completion of expansion are over five times preferred dividend requirements.

Price: Par and Accrued Dividend, Yielding 7%

Plus a bonus of 1 share Common with each $100 of Preference purchased.

Write for a copy of the Traymore circular.

GAIRDNER & COMPANY
TORONTO Limited
WILLIAMS, PARTRIDGE & RAPLEY
MONTREAL Limited
C. H. BURGESS & CO.
TORONTO Limited
R. G. HOERNER & COMPANY
MONTREAL Limited
COOPER AND MACKENZIE
TORONTO

Folksong Festival and Rail Rates

THE success which attended the initial Canadian Folksong and Handicraft Festival at Quebec is perhaps an omen of a better understanding between the nations each of which has many fine qualities to contribute to Canadian nationhood.

Primarily, the Festival was an advertising device of the Canadian Pacific Railway—an organization which has played no small part in the general development of the Dominion. But in addition to bringing some traffic to the road, the Festival brought many from Ontario into the heart of old Quebec. There they heard the old chansons, talked with the old Grandmeres who were weaving homespun, chatted with lumber jacks as they made snow shoes and in general enjoyed themselves thoroughly; at the same time, they obtained a better insight into the delightful character of the French Canadian. Or in other words, those from other sections of Canada who attended the Festival revised their ideas of French Canada and obtained something of the appreciation of the French Canadian which exists in the minds and hearts of English Canadians resident in Quebec.

Work of this kind makes for a better understanding between the two races perhaps more than such affairs as Bonne Entente gatherings; the benefits which accrue to the country as a whole are in no way discounted because the C.P.R. stands to gain a very little extra traffic. The Festival is but a minor example of the advantages which accrue to the country by having a road which is making money and which can afford to undertake enterprises of this nature.

The C.P.R. has only been able to carry on these subsidiary activities because the country has allowed the road to charge rates which bring a profit. Just as soon as the Dominion tampers with its railway rates to the extent of reducing profits below a reasonable level, then will the railway be unable to carry on work of this character.

To-day the Dominion has the lowest railway rates in the world. Further downward revisions of rates can result in nothing but harm, first to the railways and second, and more important, to the Dominion as a whole.

CONFERENCE AT GENEVA HAD TO RECONCILE FREE TRADE AND TARIFF AIMS

(Continued from page 1)

the more serious problems of world economic conditions were then considered.

Definite results were accomplished by dividing the delegates into the various committees which took up the more practical work of the Conference, on the basis of the report of our Preparatory Committee of last year. The committees were constituted under the headings of Commerce, Industry and Agriculture. Without barring their attendance on any of the committees, when something of special interest might arise, the delegates were asked to specify the special committee which they would in general prefer to attend. In this way, almost every delegation was able to have one at least of its members attached to each committee. These committees met and, after a general discussion of their respective fields, they, in turn, divided into two or three subcommittees.

In the large number of special documents laid before us, dealing with the economic situation in general, or as related to special conditions, there was at bottom, with the partial exception of a few minor agricultural features, one predominant idea. There is no question as to how best and most efficiently to satisfy the economic wants of the world, nationally or internationally. The central and all-important problem is how to find greater and wider markets for goods ready for consumption. There is no anxiety about difficulties in the way of procuring finished goods from the different countries, but only about the procuring of raw materials, which are necessary for the production of further goods to sell.

Two Divergent Policies

There are, of course, two main ways of maintaining or enlarging one's markets for finished goods. The one is by preserving, to the greatest possible extent, the home market of one's own country. This is the basis of all protective tariffs and all other forms of obstruction and discouragement to the entry of outside goods. The other, as the counterpart of this, concentrates on efforts and devices for removing or overcoming these same barriers and restrictions set up by other countries, in order to get one's own goods into as many foreign markets as possible, and in as great volume as possible.

The problems before the conference thus centred around such questions as obstructions to the import of finished goods or export of raw materials, also all the other obstructions to such trade, under whatever pretexts, as inspections and restrictions on sanitary, social or other grounds, the granting of special subsidies to promote export trade, the dumping of surplus goods on foreign markets, etc. In other words, nearly everyone is anxious to promote the free entry of goods to all markets but his own.

It is rather awkward, however, when one is strenuously arguing for the maximum of free trade, in the abstract, as between all countries; and especially when endeavoring to prove that obstructive and protective measures are in reality against the ultimate interests of the different countries promoting them, to have one's own country at that very moment launching a more extensive and thorough-going system of protective tariffs than ever before. Yet this was the case as between the representatives of the French government at the conference, and the action of the French government at Paris in launching its new and very drastic tariff system. Incidentally, this will probably involve the rupture of the existing commercial treaty between France and Canada.

It was one of the French delegates to this conference, M. Loucheur, himself a member of the French parliament and a former cabinet minister, who took the initiative in the league in proposing the calling of this international conference to promote the development of freer international trade. Another of the French delegates, M. Serruys, who is attached to the ministry of trade, has been most prominent in drafting the resolutions placed before the conference to promote the freedom and expansion of international trade. These gentlemen, doubtless with a knowledge of what was in preparation in their own country, indicated blandly enough that, in advocating free trade in general, they were speaking for themselves individually, and not for their government.

Unfortunate Effect on Delegates

The conjunction, however, at one and the same time, of the operations of the French government in Paris and of the French representatives in Geneva, of whom there were five delegates to the conference, and no less than thirty-five experts associated with them, was, at the very least, quite awkward. It was especially unfortunate as regards the inevitable reaction upon the international economic psychology, not only of the delegates of the other countries of Europe here in Geneva, but of the governments themselves, many of which were coming to recognize that something must be done to mitigate the economic rivalries and obstructions which had grown up between them since the war.

Another feature of the conference, though not so much in evidence in the open discussions, was the evident desire of many countries to secure as liberal a supply as possible of foreign capital. In this respect, the extension of agricultural credits to the peasant farmers of most European countries is an important factor among the matters for discussion at various sessions of the agricultural committee.

Among the most eager claimants for the supply of capital from foreign sources are the delegates of the Russian government. They would like also to have the greatest possible extension of credit for the purchase of certain supplies abroad. If, however, the statements made by the Russian government, and frequently echoed by its delegates, as to the immense superiority of the Soviet economic system over the capitalist system of the rest of the world, are at all correct, the Russians of all people have the least occasion to be beholden to the outside world, while the outside world must soon have every occasion to be beholden to them.

Complaints were made by the Soviets in several of the sub-committees that all the resolutions brought forward, and the discussions upon them, were based on the capitalist system, while the Soviet system is ignored. Hence, as they stated, they could take practically no part in the discussions, and certainly could not agree with the resolutions passed.

Anything to Get Capital

Although the two systems can never operate upon the same basis, yet the Soviet delegates were conciliatory enough to indicate that, if the capitalist world would grant them the credits desired, and furnish them liberally with capital, they were willing to make connection, temporarily at least, between the capitalist system and their own. Considering, however, their practices in the past, and the very logical consequences of their system for the future, it is difficult to see what valid grounds for redress will be open to those who are innocent enough to furnish the capital sought, when the Soviets find that it is no longer convenient to maintain this unnatural liaison between their ideal system of general rights only, and the iniquitous capitalist system of individual rights.

Probably the most acerbitous discussions of the conference centred around the present position and possible future developments of the national and international trusts—to use our popular term—or the looser forms of ententes, cartels, etc., which have not as yet so powerful a hold on the processes of production and marketing of the goods or services covered by these organizations. This question is associated with the relations covered by the comparatively new term of **rationalisation**, which is intended to imply the more intelligent adjustment of production to available markets. These questions were discussed in the committee on industry, although their significance is much wider in scope and might have been treated with less friction under the head of trade.

Tenders and By-laws

May 30, Prince Rupert—$85,797, five per cent., 10-year serial bonds. D. J. Matheson, city treas.

May 31, Royal Bank—7,000 shares new stock par value $100 each. General manager.

June 5, Parish of St. Benoit, P.Q.—$13,400, five per cent., serial bonds. A. Senay, sec.-treas.

June 18, Town of Roberval, P.Q.—$42,000, 5 per cent., serial debentures. A. Bouchard, sec.-treas.

June 2, Kitchener—$228,709, 5 per cent., 10, 15, 20 and 30-year, local improvement bonds.

June 6, Barton Twp.—$7,000, 5½ per cent. 10 year bonds. S. G. Sims, clerk, (See announcement on page 16.)

June 13, County of Renfrew—$18,152, 5½ per cent., 10-year. R. J. Roney, County Clerk. (See announcement on page 16.)

Complete Organization of Canadian Brewing Corp.

The organization of the Canadian Brewing Corp., and its subsidiary companies, and, in particular, the unification of their accounts, has now been completed, according to reports placed by the management before a meeting of the directors in Toronto. A consolidated balance sheet as at January 1, 1927, was submitted, showing that the company was in a very strong financial position on that date, with current assets at $1,185,000, and current liabilities at only $74,000. The valuable item of goodwill, trade marks, etc., was carried at the nominal figure of one dollar.

The subsidiary companies of the corporation comprise the following: The Dominion Brewery Company, Limited; the Hamilton Brewing Association, Limited, and the Grant's Spring Brewery

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	98⅛	99
Abitibi P. & P. 6s, 1940	104	105¼
Algoma Steel 5s, 1962	28½	29⅝
Alberta Pac. Grain 6s, 1946	98¼	99
Bell Telephone 5s, 1955	102	102⅝
Belgo. Can. Paper 6s, 1943	102	102⅝
Brandram-Henderson 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	88	92
Brompton P. & P. 6s, 1946	99⅝	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	89½	90½
Calgary Power 5s, 1940	92¾	93¾
Canada Lt. & Pr. 5s, 1949	93¼	94¼
Can. Nor. Power 6½s, 1941	101¾	102½
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	99	99⅝
Can. Steamships 6s, 1941	98½	98⅞
Can. Steel Fndry, 6s, 1936	104⅞	105¾
Davies, Wm., 6s, 1942	95	96¼
Dominion Iron 5s, 1939	29	31
Dominion Pr. and Tr. 5s, 1932	97⅝	98⅝
Drummond Invest. 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	104⅝	150
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅝	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98½	99
Gatineau Power 5s, 1956	97⅝	97¾
Gatineau Power 6s, 1941	101⅝	101⅞
Howard Smith P. & P. 6s, 1941	104	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	92	94½
Lake Superior P. P. 6s, 1941	106	107¼
Laurentian Pr. 6s, 1936	103¼	104½
Laurentide Pr. 5½s, 1946	101½	102½
Maple Leaf Mfg. 6½s, 1943	103½	104½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	99½	100
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	100⅝	101⅝
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101½	102½
Nor. Ont. L. & P. 6s, 1946	101¼	101⅞
Nor. West Utilities 7s, 1938	99⅝	100
Nova Scotia Steel 5s, 1959	68½	72
Nova Scotia 6% Debs.	36	39
Nova Scotia Tram. 5s, 1946	92¼	93½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s, 1931	109	110¼
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	104	105
Ottawa Mont. Pr. 6½s, 1949	101¾	102¾
Ottawa Trac. 5½s, 1953	101½	102
Ottawa River Pr. 6½s, 1953	102½	102¾
Port Alfred P. & P. 6½, 1943	101¾	102¼
Price Bros. 6s, 1943	104	104⅝
Prov. Lt. Pr. 5s, 1946	100½	101½
Quebec Pr. 6s, 1953	107	107¾
Rio Tramway 5s, 1935	95⅝	96⅛
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper, 6s, 1946	97¼	98¼
St. Maurice Pr. 6½s, 1953	108	108½
St. Maurice Valley 6s, 1945	99	100
Shawinigan W. & P. 6s, 1950	104¾	106
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98⅝	99⅝
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

This Week's Bond Sales

WIARTON SELLS BONDS

Harris, Mackeen & Co. were awarded an issue of $12,025 5 per cent. 15 instalment bonds of the Town of Wiarton at 99.06. The bids were:

Harris, Mackeen & Co.	99.06
McDonagh, Somers & Co.	98.55
C. H. Burgess & Co.	97.67
Royal Securities Corp.	99.00
Dyment, Anderson & Co.	98.32

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Selected with careful regard to safety, dependable income and marketability.

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Security and Profit

THE common stocks of efficiently managed public utilities offer interesting possibilities.

We shall be glad to submit recommendations.

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Diversification in Investment Is as Necessary as Diversification in Your Crops

The intelligent farmer takes much of the uncertainty out of farming to-day by diversifying his crops. He knows from experience that the successful farmer does not concentrate on any one crop.

The intelligent investor protects his income and safeguards his future in a similar manner through the diversification of his investment.

The selection of suitable investments requires time, knowledge and experience. Most individuals are not equipped to judge the relative merits of investments, and as a result often purchase poor ones.

The forty-three years' experience of this house, with a record of no loss of principal or interest on any investment during this period, has been concentrated on an issue of securities yielding 5½% that are as safe and sound as it is humanly possible to make them. They are safe, because the security back of them is diversified between only Government, Municipal and Provincial Bonds and First Mortgages—all trustee investments in themselves.

The booklet we have prepared, entitled "An Investment Trust," explains this unusual bond in detail. You owe it to yourself to send for a copy without delay.

The Investment Trust

G·A·STIMSON & Co.
LIMITED — EST. 1883
The Oldest Bond House in Canada
300 BAY ST. — TORONTO

Gentlemen:
Kindly send me a copy of your booklet, "The Investment Trust." I understand this places me under no obligation whatever.

Name ....
Address ....

BOND MOVEMENTS OF THE WEEK

Week Ending May 23

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Low	Range, 1927 High	Low	Ask	Bid	Latest Price High	Low
Asbestos, 1st Mtge.	6	1941	5.84	101⅝	98¼	102	92¼	101⅝	100⅞	101⅝	..
Asbestos Gen. Mtge.	6	1956	6.50	83¾	81¼	94⅛	88	93½	93¼	93½	93
Canada Cement	6	1929	5.63	103	100½	102¼	100½	..	101	101	..
Dominion Iron	5	1929	10.78	94	86	92	69	85	..	85½	85
Montreal Tram. "A".	5	1955	5.22	95	92½	97¾	94¼	96½	96	96¾	96
Do., 1st Mtge.	5	1941	5.04	98½	93	99⅞	98¾	99½	99	99½	98⅞
Montreal Power	5	1940	4.90	99½	99½	101	97½	..	..	101	..
N.S. Steel	5	1959	7.45	70	50	70	69	69¾	..	70	69¾
Quebec Rly.	5	1939	5.00	100	91⅛	100	96	100	..	100	..
Steel of Canada	6	1940	5.26	107½	106	107½	106⅞	107½	105½	107	..
Wayagamack	6	1951	6.10	100⅝	90	100	97	98	97	98¾	98
War Loan	5	1931	4.64	100.40	100.35	101.85	101.00	101.50	101.30	101.45	101.30
Do.	5	1937	4.57	104.95	102.75	103.65	102.95	103.60	103.35	103.50	103.25
Victory Loan	5½	1927	4.55	102.50	100.15	101.00	100.25	100.60	100.45	100.35	100.25
Do.	5½	1933	4.65	106.35	103.20	105.20	103.90	105.05	104.80	105.00	104.90
Do.	5½	1934	4.85	104.40	102.65	104.10	103.00	104.15	104.00	104.00	103.75
Do.	5½	1937	4.53	109.30	106.70	108.20	106.90	108.05	107.80	108.20	107.90
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.15	100.60	100.40	100.30	100.15
Do., Renewal	5½	1932	4.87	103.90	102.00	103.55	102.45	103.35	103.10	103.10	103.00
Do., Refund.	5	1928	4.60	101.35	99.00	101.45	100.00	100.40	100.35	100.20	100.10
Do., Refund.	4½	1940	4.50	96.95	95.60	100.05	96.60	100.00	99.75	100.05	99.85
Do., Refund.	5	1943	4.67	102.80	101.10	103.85	102.30	103.80	103.55	103.75	103.45
Do., Refund.	4½	1944	4.50	97.15	95.70	100.10	98.05	100.00	99.75	100.00	99.85
Do., Refund.	4½	1946	4.50	99.60	95.65	100.25	96.70	100.00	99.75	100.25	100.15

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Laval des Rapides	May	Municipal Debenture Corp.	5%	20-year	$10,000	....	...
Wiarton	May	Harris, Mackeen & Co.	5%	15-ins.	12,025	99.06	...
		PROVINCIAL					
Nova Scotia	May	First Nat. Bank, Bankers Trust, New York, and Bank of Montreal	....	4 Mos.	$6,000,000	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Investment Bond & Share Corp.	May	Wood, Gundy & Co., and Syndicate	5%	1947	$4,000,000	100	5%
Bell Telephone	May	Bank of Montreal and Syndicate	5%	1957	10,000,000	102.50	4.85
Stock Issues—							
Foothills Oil & Gas Co.	May	Doherty-Easson Co.	....	....	100,000 shs.	$2.50	...
Can. Western Natural Gas, Light, Heat	May	Wood, Gundy & Co.	6%	pref.	1,700,000	97	6.19

CHIDES U.S. FOR FISCAL POLICIES AIMED AT CANADA

Cattle Tariff Cited as Serious Blow to Our Trade

NO HELP TO U.S. FARM

Travers Sweatman, K.C., Western Lawyer, Speaks Plain Facts at Big Detroit Foreign Trade Meet

By TRAVERS SWEATMAN, K.C., of Winnipeg, in address Delivered at National Foreign Trade Convention in Detroit.

It would be impossible for Canada to long continue to buy from the United States if we did not sell to the United States, or to some other country who in turn sold to the United States. No country can sell abroad continuously unless it also buys abroad.

The subject of tariffs is, of course, part of the internal or domestic concern of each nation. Canada has no right to complain of the tariffs raised against her by the United States, and the reverse. Perhaps, too, if Canada were a free-trade country I would be treading on delicate ground, touching upon these questions, but since Canada has a fiscal policy in many respects similar to the United States, I feel this is perhaps an opportune time to touch upon these matters.

The policy of both countries is the same; it is to manufacture in our own country for our own people as many and as varied goods as possible; to sell the surplus of goods so manufactured for the best price possible in the markets of the world in return for raw materials required for our own manufacturers, or in return for goods which for peculiar reasons cannot be manufactured in our own country as cheaply or as skilfully as in some other country.

As a corollary to this proposition, to keep the home market for the home manufacturer by enforcing a tariff on all competing goods.

Since this is the fiscal policy of both Canada and the United States, stated in a very rough and ready way, if this policy is pursued too vigorously there will be little hope of expanding the trade between these two countries as it should be expanded.

Geographical Similarity

You must remember that Canada is geographically similar to the United States. We extend a distance of 3,000 miles from the Atlantic to the Pacific Oceans. On account of our political boundaries we are trying to trade with one another east and west over long lines of expensive communication, whereas the economical and natural way would be to trade north and south. The logical customers of British Columbia are the people of the United States who live up and down the Pacific Coast. The natural markets for the farmer and stockman of Alberta and Saskatchewan are Chicago, Minneapolis, St. Paul and all the large centres of the North-Western States, and so on. Moreover, there are no geographical reasons why the two peoples should not easily exchange goods, products and raw materials without restriction or restraint. We speak the same language, enjoy the same institutions of government. We have the same religious and social ideas; in a word, we have the same ideals. In short, the 49th parallel is solely a political barrier. It seems to me, therefore, that the practical problem is, so far as we can, to modify these trade restrictions without injuring the industrial, commercial or agricultural interests of either country. How far can we so modify our artificial barriers to the advantage of both countries?

Political demands for prohibitive tariffs are often granted as matters of expediency, and very frequently work great hardships without accomplishing the results expected.

Now, while I am going to mention one or two examples of what Canadians consider illustrations of American political expediency, which, while doing Canada a great deal of injury did not assist the people of the United States, I want you to know that I realize Canada has been guilty of the same thing. We all remember that the United States made us a proposition for reciprocity in natural products in 1911 which we rejected. We also remember that the American congress allowed that reciprocity agreement to remain on the statute books for eleven years. That is water under the bridge, no good can come from discussing it. I am only mentioning it to show that this question has two sides; but to return to an example of political expediency which I do not think accomplished its intended purpose, but which did a great deal of damage to a certain section of Canada, I would like to refer to the United States tariff on cattle.

Place Duty on Cattle

Under the Underwood tariff from 1913 to 1921, cattle were on the free list. In 1921, as a result of the depression in the farming industry in the United States, which I may tell you was also prevalent in Canada, an agitation was promoted for the removal of the Underwood tariff. This resulted in an emergency tariff of 30 per cent. ad valorem being imposed from June, 1921, to September, 1922. This was replaced by what is commonly referred to as the "Fordney tariff," which went into effect subsequent to September 1922. Under this tariff a duty of from 1½ to 2 cents per lb. is imposed on cattle imported into the United States.

Let us consider the effect of this tariff from the two points of view. Firstly, how does it affect Canada? Canada markets annually about one million cattle, and of these, Canada exports to the United States each Fall an average of about 200,000 head. The total number marketed annually by the United States is about twenty million head, so that Canada exports about one per cent of the total requirements of the United States. Probably the biggest damage it does to the Canadian cattle trade is that this exportable one-fifth sets the price for the four-fifths, so that this duty has roughly taken about 30 per cent. from the value of all cattle in Canada. I am well aware that this statement may be challenged, but the Canadian stockman is in exactly the same position in respect to cattle, as your farmers are in respect to your wheat. The United States consumes about four-fifths of its wheat and exports one-fifth. It is contended that the exportable one-fifth sets the price for the four-fifths consumed. To overcome this state of affairs, as I understand it, was the purpose of the recent legislation passed by your government and vetoed by your president. In the Canadian cattle market, in practice, it works out something like this: Supposing to a market any day in Canada there came 5000 head of cattle of which 4000 can be consumed in Canada, and 1000 must be exported. The price of the total 5000 is set by the price obtainable in the export market for the 1000 head of cattle.

Did Not Help U.S. Farmer

Now, how did the imposition of this duty assist the people of the United States? Did the individual American cattle raiser obtain an advantage corresponding to the penalty suffered by his Canadian competitor? I submit that it is self-evident he did not, for the simple reason that Canadian cattle represent only one per cent. of the total number of American cattle marketed. To what extent will one per cent of Canadian cattle affect the price on all of the American cattle? It would be impossible for me to reduce this to a precise answer, but I think it is obvious that it would be very slight.

Again, the American duty will benefit the American stockman only to the extent that excludes Canadian cattle. If in spite of the duty, the Canadian cattle are still exported to American markets, then I submit that they have no effect on American prices whether they come in duty-free or heavily penalized. As a matter of fact, the American duty did to some extent curtail the shipment of cattle to the United States. In the fiscal year ending March, 1921, Canada's shipments amounted to 295,000 head, and for the year 1922 this number was reduced to 172,000 head. The duty apparently did reduce the shipments by 120,000 head. Did a reduction of 120-000 head appreciably affect a market involving twenty million head? Do you think that the advantage could be estimated? I am informed by a cattle expert that at the most it could not amount to more than 5 cents per hundred pounds, and that would be placing it very high.

On the other hand it costs the Canadian producer about $15 per head, and as I have pointed out not only affects the exportable one-fifth but the whole Canadian cattle market.

Really Are Raw Material

It is also important to note that the imports of cattle from Canada to the United States are almost entirely stockers and feeders, so that they are really imports of raw material for the American cattle industry.

If these facts were fully realized and appreciated by the American public they would scarcely desire to treat one of their very best customers in this way?

But the question has another aspect. The imposition of the Fordney tariff on Canadian cattle has forced the Canadian producer to look for new markets, and these are now being developed with Great Britain. There is always a risk where business is forced into new channels by methods of this kind, that it will not readily return.

There were similar duties placed upon other commodities, viz: wheat 35 cents a bushel, wheat flour 20%; potatoes 50 cents per 100 lbs. butter 8 cents per lb., eggs 8 cents per doz., cheese, 5 cents per lb., but not less than 25 cents, and so on. Space would not permit me to discuss figures for all these various commodities, but I think that investigation will show that generally speaking, they were of very little assistance to the individual American producer, but did a great deal of harm to the Canadian producer. To show you that it is the policy of the United States not to buy Canadian manufactured goods, it is evidenced by the following figures which show the almost negligible amounts purchased by the United States of certain lines which are representative of the type of completely manufactured articles which Canada exports:

Article	Imports from Canada
Wheat flour	$ 62,448
Manuf. articles of rubber	29,657
Dressed furs and manuf. of fur.	157,181
Furniture of wood	14,722
Machinery (except agricultural) and machine tools	308,797
Electrical apparatus	38,906
Brushes	436

The foregoing figures are for the calendar year of 1925 and are taken from the official report on the Commerce and Foreign Trade of the United States for 1925, which is the latest copy of the United States annual report at present available.

Set Up Prohibitive Duties

Moreover, from time to time the United States uses its emergency tariff for the purpose of instantly creating what is to all practical intents and purposes a retroactive prohibitive duty. This has been put into effect from time to time so as to discourage our manufacturers from entering into the American market. An example, while it is only a small one, came to my personal notice. A small manufacturing concern in the West were manufacturing a peculiar kind of halter made out of rawhide. It became very popular in the North-Western States and they had worked up quite a nice little business. Suddenly a shipment of halters was held up by the United States Customs and an emergency duty of 30 cents ad valorem applied. Moreover, the shipment was held at the border for a sufficient length of time so that the thirty days for appeal had passed before the Canadian shippers had discovered that this ruling had been made. The use of an emergency tariff in this way prohibits our manufacturers from any benefits of American markets. They are naturally afraid to spend the necessary capital to establish a market for their goods when they know that the moment a market has been obtained, it will be taken away from them. Do you think that the retroactive use of this emergency tariff is calculated to promote good feeling between the two countries?

Who Will Be Best Customer

At the present time Great Britain is America's best customer. In 1900, Great Britain purchased from the United States $694 million, as compared with $102 millions by Canada—a ratio of 7 to one. In 1926, Great Britain purchased from the United States $971 million as compared with $609 million by Canada—a ratio of approximately 5 to 3. Having regard to the progress which we have made during the last 25 years, who do you think will be your best customer ten years hence? And should not this fact weigh heavily with Americans in according to Canada the treatment one ordinarily accords to one's most valued customer?

WILL MANAGE OGDAD

Fred Chapman, mining engineer, who has been associated with the operation of Lucky Jim mine, Kootenay County, B.C., has been appointed manager of Ogdad Mine, Atlin, B.C. It is expected that the mine will soon be producing. A. G. Larson has been named consulting engineer.

American Investments in Canada Will Continue to Gain in Importance

Canadian Banker With New York Post So Prophesies

By CASE R. HOWARD.

Manager, Foreign Business Department, The Canadian Bank of Commerce, New York City. Address Delivered at Fourteenth National Foreign Trade Convention, Detroit, Mich.

Compared with the United States, the Dominion of Canada, may appear a small nation indeed, but we are young yet. By right of achievement we have some justification for our belief we have promise, promise which will be fulfilled if we can win the support and the understanding of the great nations of the world. And it is but natural that we should look to the people of the United States for this support and this understanding. The friendship of the people of the United States and Canada is traditional. Canada interchanges more business with the United States than with any other nation, not even excepting Great Britain, our mother country. Our business interests and our intellectual interests tend to commingle to an increasing extent. Canada is today the United States' greatest customer and if I read the signs of the times aright she will long continue to occupy this position.

Canada has scarcely begun to grow. In developing this great future, the friendship and the assistance of the business men and the bankers of the United States will, next to the energy and ability of her own people, be the greatest single factor in enabling her to develop her full possibilities. If through the assistance and the friendly cooperation of the business leaders of the United States she is able to make the fullest possible use of her opportunities in the future, this development will naturally increase her need for greater quantities of goods and her ability to pay for them. As her nearest and most convenient market, the United States will have only itself to blame if it does not still further increase the volume of trade which is at present flowing across the border between the two countries.

But if the American business man is to take full advantage of his opportunities in Canada he must study Canada and the Canadian point of view.

Extent of Investment

Even some well-informed American business men do not fully realize the financial interest the United States has in Canada. According to recent figures, sixty per cent (60%) of all foreign investments in Canada represents American capital. In round amounts, of the $5,300,000,000 of foreign investments in Canada, $3,600,000,000 came from the United States*. According to the same authority, British investments in Canada represent only $2,111,000,000. We take it as a compliment that Canada is regarded in the United States as the best outside field of investment and we interpret it as an indication of the estimate placed by the United States upon the character and ability of Canadians.

When this fact that the United States is the largest foreign investor in Canada is placed side by side with the fact that Canada absorbs more American goods than any other country in the world, we gain some appreciation of the closeness of the financial and commercial relations between Canada and the United States.

It is, of course, not surprising that this should be the case. We have on either side of an imaginary line two countries, one highly industrialized, thickly populated and very rich in capital. On the other, a young country thinly populated, but rich in natural resources. What could be more natural than the process which has resulted in the flow of capital from the United States to Canada? What more natural than that this capital should be used to develop the immense store of raw materials in Canada?

It is an economic axiom that capital knows no nationality. It seeks the market where it receives the highest wage. This is the reason why capital tends to flow from an old and settled country to one which is less highly developed industrially. It is such a situation which has existed between the United States and Canada for many years past. It is such a situation which has induced American bankers and business men to invest vast amounts of capital in Canada. Years ago they found that investments in Canadian railroads, Canadian mines, Canadian paper mills and Canadian manufacturing plants of all kinds, were extremely profitable and safe, and this discovery has led them to invest increasing amounts of capital in Canadian industries and to lend increasingly large amounts of money to the Canadian Government, Provinces and municipalities to finance public works.

1,400 Branch Plants in the Dominion

Perhaps one of the most interesting developments arising from this flow of American capital to Canada has been the establishment of some 1400 (fourteen hundred) branch plants in the Dominion. Although a large number of American manufacturers had plants in Canada before the War, it was not until 1919 that any very large annual increase in number of American plants in Canada occurred. In 1919 over two hundred (200) plants were established in that one year alone. Since then the number has increased steadily until we have plants representing a great variety of American industries.

One of the chief incentives for this development has, of course, been the desire of American manufacturers to supply the rich and growing Canadian market. Another reason is that by manufacturing in Canada it is possible to enjoy the preferential treatment accorded

(Continued on page 15)

* See The Financial Post Survey, 1927, for detailed figures referred to by Mr. Howard.—Ed.

St. Lawrence Power Big Asset for Future

By BRIG.-GEN. C. H. MITCHELL. Before Foreign Trade Convention.

The greatest single source of power in Canada is, of course, the St. Lawrence, its national river. It may seem strange that this great power producing river is as yet practically untouched, there being not more than 250,000 horse power produced from it. But the river is so large and the undertaking involves such great expenditures, that its development is being held in reserve for the future, a future, however, that now appears to be not very far off.

It is difficult to conceive what the combinations of natural resources tributary to the St. Lawrence and Ottawa power areas may ultimately mean. The availability of the products of forests, lands and mines, and the possibility of their treatment and manufacture on the shores of Canada's great waterway, where both rail and water transport are combined, lend an enhanced value to water power so strategically located.

CLAIMS U.S. WILL TAKE MORE FROM CANADA IN FUTURE

U.S. Spokesman Says Trade Balance is Adjusting Itself

By JOHN F. TINSLEY, Vice President and General Manager, Crompton & Knowles Loom Works, Worcester, Mass.; Vice President, New England Council. American Spokesman, at Canada Day Session of National Foreign Trade Convention.

A study of the trade between the United States and Canada for the past twenty years cannot fail to emphasize the importance of our commercial relations, and the vital part that our commerce is taking in contributing to our progress on both sides of the border.

In 1926 the value of United States exports to Canada amounted to $738,000,000.00, while our imports value from Canada amounted to approximately $476,000,000.00. In 1925 our Canadian exports were $649,000,000.00 and imports $454,000,000.00.

While the balance of trade was in our favor to the amount of an average of $228,000,000 per year for the past two years, Canada relatively has been making a greater ratio of progress in increasing her imports to the United States than we have in our exports to Canada.

Taking five years just before the war (1910-1914), our exports to Canada averaged per year $315,000,000, as against $117,000,000 average imports per year in the same period.

Percentage Adjusting Itself

The corresponding figures for the average of the past two years, 1925 and 1926, are exports $694,000,000, and imports $465,000,000.

In percentages, over a period of approximately 12 to 15 years, our export values to Canada increased 120 per cent., while our import values from Canada increased 298 per cent.

It must be apparent from the present trend that we are going to need in generous quantities the products of your farms, your forests, your mines, your fisheries and your water powers. We hope that, profiting by our experiences, conservation and protective measures in connection with your great agricultural and forest supplies will not only take care of your own needs and ours, too, but will provide a constantly increasing amount to add to your future wealth and prosperity.

With modern transportation, with the labor-saving machinery of to-day and tomorrow, with scientific methods available to you in abundance, you will be able to conserve, also, those other natural resources with which nature has so bountifully endowed you, and turn them to your benefit in trade with other nations.

Don't Worry About Tariff

We do not think that our tariff principles should worry you unduly. It is true, of course, that the tariff has been used considerably in the past as a political football. However, we think the tariff is going to be considered in the future more from the standpoint of economics than politics. There is growing more and more a disposition to apply a tariff on the basis of facts scientifically and accurately determined. There is little support in the United States for a tariff applied to protect so-called favored industries. The principles on which we apply a tariff in the proper and best sense of the word, is to protect and maintain the present high standard of living of our people. On that basis I don't think you differ with us, because I think you will agree, too, that the present standards of living of our people mean higher purchasing power that is reflected in the various channels of trade and prosperity.

Lure of the Extra 1%

EVERY investor knows, at least in theory, that he cannot secure a higher rate of income without proportionately increasing his risk. Yet among all the causes of investment loss, none is of more frequent occurrence than the attempt to gain an extra 1% of income through exchanging sound securities returning a conservative yield for others of supposedly equal safety.

Experimenting with yields is fraught with danger to the uninformed investor who is without the guidance of our Supervisory Service.

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SILK INDUSTRY EXPANDS FURTHER, CENSUS INDICATES

One New Plant Added in 1925; Production Up 25 Per Cent.

Splendid progress was reported by the silk industry during the calendar year, 1925, the report of the Bureau of Statistics showing value of production at $5,483,363 as compared with $4,381,234 in the preceding year. Unfortunately the Bureau's report does not differentiate between real and artificial silk, consequently it is not possible to form any comprehensive idea of the growth of the rayon industry, which is known to have made remarkable strides in the past three years.

There was an increase of one in the number of establishments in operation in 1925, bringing the total up to 11, of which six are located in the province of Quebec and the balance of Ontario. Capital employed by the industry rose from $5,744,502 in 1924 to $9,224,224 in the following year. Much of this increase in capitalization comes from the installation of more extensive equipment, rather than to the construction of additions to plants.

Quebec Centre of Industry

In reporting production of this industry it has been found necessary to greatly reduce the items of products in order to avoid disclosure of individual statistics regarding these commodities, which will account for the comparatively few items of silk manufacture, Quebec, with a total output valued at $3,270,897, accounted for 59.7 and Ontario with $2,212,466, contributed 40.3 per cent. of the total value of manufactured. The principal items of production in 1925 were:

	Ontario	Quebec
Broad silk, p'ce goods, etc.	$ 353,103	$ 219,580
Silk and mixed cloth	240,000	653,400
All other and custom wk.	1,619,363	2,397,917
	$2,212,466	$3,270,397

At present, exports of silk and silk goods are practically negligible. Imports, in 1925, however, amounted to $22,981,613. Raw materials came mostly from the United States, while manufactured articles came from "other countries." Of the total imports during the year, the United States supplied items to the value of $2,429,495; the United States $6,919,627; and other countries $13,632,491.

PRIMARY FOREST OUTPUT UNCHANGED

Value Slightly Less in 1925, But Compares Favorably With Other Years

Over two hundred millions of dollars represents the value of primary forest production in Canada during the calendar year of 1925—preliminary estimate being $209,276,561. Although this is a slight decrease from that recorded during the previous year, it is higher than the values registered in the three preceding years. Lower prices for lumber products was principally responsible for the decrease; production in 1925 representing an equivalent volume in standing timber of 2,839 million cubic feet, as compared with 2,808 million feet in the preceding year.

As in previous years, logs and bolts for domestic manufacture, the raw material of the saw-milling and allied industries, head the list of products for Canada as a whole with a total value exceeding 71 million dollars. These logs and bolts also head the list as far as value is concerned, in the provinces of British Columbia, Ontario and New Brunswick. Pulpwood for use in Canada's pulp and paper mills comes second on the list, with a total value exceeding 48 millions. Firewood, with a total of over 39 millions, comes third. The following table shows the value of the principal products produced in 1925:

Logs and bolts sawn	$71,854,926
Pulpwood used	48,012,602
Firewood	39,515,657
Pulpwood exported	14,168,935
Railway ties	14,491,557
Logs exported	4,778,108
Sq. timbers exported	2,643,543
Poles	3,802,036
Round mining timber	1,249,021

Quebec Leads Other Provinces

Quebec Province heads the list for forest production both for the value of materials produced and for its equivalent in standing timber. It heads the list in production of pulpwood both for domestic use and for export, and also in production of firewood, fencing materials and miscellaneous exports. Ontario is the next most important province on the list for total production, leading in output of railway ties and wood for distillation. The relative standing of each province from the standpoint of value of production during 1925, is as follows:

P. E. Island	$ 725,386
Nova Scotia	8,113,775
New Brunswick	18,825,986
Quebec	64,782,905
Ontario	62,645,816
Manitoba	3,106,824
Saskatchewan	2,214,199
Alberta	2,823,965
British Columbia	46,037,705
Total	$209,276,561

While only 2,839 million cubic feet was used for merchantable uses, it is estimated that another 2,000 million feet of timber was either destroyed by fire or other destructive agencies. Therefore the forests of Canada are being depleted at the rate of 5 units for every 3 produced in the process of exploiting the standing timber.

ENGINEER INCREASES POWER

Engineer Mine, Atlin district, B.C., is placing new equipment which will increase the power supply from 175 h.p. to 600 h.p. When installed, underground work will be speeded up.

Atlin Silver Lead Has Speeded up Operations

Atlin Silver-Lead Mine, British Columbia, resumed operations early this spring and has been progressing steadily according to reports by Manager J. M. Ruffner. Insufficiency of power at the new lower crosscut tunnel made it necessary to provide a new power plant at this point and Manager Ruffner has set up there a steam plant competent to furnish enough power to drive the tunnel in rapidly. This plant is now about completed and operating.

Progress in the crosscut from now on, with adequate power, should be rapid. It is expected now that the No. 2 vein will be reached before June 1.

Mr. Ruffner reports that the drive connecting the No. 1 and No. 2 crosscuts in the main 2X orebody as completed, and that the drive for its entire distance has been in high mill food mixed with shipping ore.

Seventy tons of high-grade ore have been sacked and shipped down to the wharf.

AMERICAN INVESTMENTS IN CANADA WILL CONTINUE TO GAIN

(Continued from page 14)

to Canadian goods by many countries within the British Commonwealth.

Many of the American manufacturers who have established plants in Canada had also in mind the fact that goods manufactured in the Dominion enter France under special favored conditions. When it is remembered that Great Britain, Canada and France are the United States' three greatest customers, the logic upon which this move was based becomes very clear.

But large as is the amount of American goods supplied the Canadian market by American plants located in the Dominion, this represents after all only a small portion of the total amount of American goods sold in Canada. It obviously does not pay all American manufacturers to establish plants in the Dominion. In some cases it is still most profitable to manufacture the goods destined for the Canadian market in the United States and distribute them either through Canadian Sales Agents located in the big commercial centres, such as Montreal, Toronto, Winnipeg and Vancouver. Others, with larger Canadian markets, have established their own warehouses and branches in these same centres, some under the direction of the home offices in the United States and others under the direction of specially organized subsidiaries.

INVESTMENTS PROVE PROFITABLE

This investment of American capital in Canada has proven very profitable. The mere fact that the number of Canadian plants controlled by American corporations has increased from seven hundred (700) to over fourteen hundred (1400) in less than 10 years is probably sufficient proof of this.

Many reasons may be given for the belief that this flow of American capital into Canada will continue. Canada is still a country of great undeveloped resources. Although in recent years, thanks largely to the investment of large amounts of American capital in Canadian enterprises, the value of Canadian manufactured products now exceeds by a wide margin the value of her production of agricultural products. This development is by no means ended. In 1925 the value of Canada's manufactured products ran close to three billion dollars ($3,000,000,000). In 1926 and 1927, due to the industrial revival which has been under way since the beginning of last year, the value of Canadian manufactured products will probably run close to three billion and a half ($3,500,000,000).

Parenthetically this improvement in Canadian business has already been recognized by American bankers and investors. In recent months an increasing interest has been exhibited in both Canadian loans and securities by the American financial community. So far as the bankers are concerned, they have exhibited an increasing interest in the purchase of Canadian issues. American investors have become interested for their part to a surprising extent in Canadian investment securities, such as bank and insurance stocks.

Both American bankers and American investors of the more far-sighted type are apparently coming to realize the truth of the statement made recently by a prominent Canadian as follows: "For twenty-five (25) years Canada has been slowly marking time. But now she is entering upon a period of great prosperity. During the next ten (10) years I look for phenomenal growth, and I use that adjective advisedly."

Steady Growth of Understanding

But although most Canadians believe that the opportunities which Canada offers the American business man and the American investor at the present time are coming to be realized by most far-sighted Americans, a development of these opportunities will depend upon the degree of mutual understanding which we as American and Canadian business men manage to develop. The American exporter who wishes to develop Canadian business must devote at least as much time to a study of the Canadian markets as he does to markets lying in more remote parts of the globe. It will not do for him, as our good friend E. B. Filsinger has so often pointed out, to regard Canada as a market to be developed by the domestic sales force of an American organization. **Canada must not be regarded economically as another State of the Union.** From a trade standpoint, the Canadian is not an American and Canada is not the United States. Platitude as this may appear to be, it is surprising how many American business men fail to realize this truth.

Capital Flow Will Continue

How the Canadian market should be handled is, I believe, best known to Canadians or Americans who have spent some time in Canada. That is why I always tell American business men interested in the Canadian market that they should employ Canadian salesmen, Canadian advertising agencies and Canadian methods in their attempts to develop a Canadian market for their goods.

A great amount of American capital has been flowing into Canada in recent years. Unless the people of the United States decide to give Canada better tariff treatment than has been accorded her in the past, this will continue. Our position is similar to that of Europe. The United States is not facilitating the importation of either Canadian or European goods to enable Canada or Europe to make payment of interest on American loans or to pay for the goods Canadians and Europeans buy in the United States. The only way the international balance can be adjusted is by the flotation of large loans in the United States. Whether this is sound policy or not, it is not for me to say. From our point of view as Canadians, however, we would prefer to pay our debt in the United States by the shipment of goods. It is our hope, a hope which I believe we have with many Americans with large stakes in the Dominion, that in the near future, the majority of the American people will recognize the soundness of our point of view.

If American exporters will recognize quite clearly the unique geographical conditions surrounding the Canadian market; if they will recognize as well that Canada is not the United States and that Canadian buyers have a psychology peculiarly their own, I believe Canada as a market presents for the future great opportunities for them. But to make the most of the opportunities the Dominion offers, careful study and close co-operation with Canadian bankers and business men is imperative.

Share in Future Fruits

We rightly regard Canada's progress in the past sixty years as remarkable. Probably, however, the real standard by which a country should be judged in an economic sense is in its capacity to advance still further and to create new wealth. The world now draws heavily upon the fringe of a vast range of natural wealth in Canada, and as the world progresses to a higher estate, and its wants increase, the great resources across the border will be fully developed. If you choose to continue to be interested in Canada you can share in the fruits of the years of greater opportunity that lie ahead.

We, of this time, may consider ourselves privileged to be living in an age when the English-speaking civilization has so amply withstood the acid test, and justified its continued progress. Taken unprepared by military aggression in 1914, we came out victorious, and I think you will all agree with me when I say that the world was saved at that time by the united action of the two great branches of the English-speaking race—these two great branches that are now indissolubly linked together. The great lesson to be learned from this is that the people of the United States as well as of Canada have a duty, and that duty is to follow the lead of our great statesmen and leave no stone unturned to further in every way the closest co-operation between the two great branches of the English race.

It is the belief of many Canadians and most far-sighted Americans that financial and trade relations between our two countries will increase immeasurably in the next few years. We need American capital, American technical skill, and you need cheap raw materials, cheap power, and the help of a young and vigorous country. These mutual needs will do much for our two countries in the future as they have in the past.

CPTG

A Dominion-Wide Organization

The Canada Permanent Trust Co., with branch offices in almost every important centre in Canada, is in a splendid position to offer efficient and prompt service as

STOCK TRANSFER AGENT
REGISTRAR
TRUSTEE FOR BOND ISSUES

The responsibility of our Company, our conservatism and facilities for acting in the above capacities will insure both safety and profit in the employment of this company in these services.

You are invited to confer with the Officers of the Company.

DIRECTORS:
W. G. Gooderham *President*
E. R. C. Clarkson *Vice-President*
George H. Smith *General Manager*
Col. A. E. Gooderham
F. Gordon Osler
William Mulock, K.C.
William Stone
George W. Allan, K.C. *Winnipeg, Man.*
A. B. Campbell, W.S. *Edinburgh, Scotland*
Norman McKenzie, K.C. *Regina, Sask.*

THE CANADA PERMANENT TRUST CO.
Paid-up Capital One Million Dollars
Ontario Branch - Manager: A. E. Hessin
HEAD OFFICE: CANADA PERMANENT BLDG., TORONTO
Branch Offices: Toronto, Halifax, St. John (N.B.), Woodstock (Ont.), Brantford (Ont.), Winnipeg, Regina, Edmonton, Vancouver. 26

New Issue

$4,000,000

Investment Bond & Share Corporation

Twenty-Year 5% Gold Debentures, Series A

Carrying non-detachable common share warrants at the rate of ten shares for each $1,000 principal amount of Debentures

To be dated June 1st, 1927. Due June 1st, 1947.

Principal and semi-annual interest payable, at the holder's option, in Canadian gold coin in Montreal or Toronto, or in United States gold coin in New York. Denominations $1,000 and $500, registerable as to principal. Fully registered Debentures in denominations of $1,000 and authorized multiples thereof. Redeemable in whole or in part on any interest payment date on thirty days' notice at 104 and accrued interest, if redeemed on or before June 1st, 1932; at 103¼ and accrued interest, if redeemed on or before June 1st, 1937; at 102½ and accrued interest, if redeemed on or before June 1st, 1942; and thereafter at 102 and accrued interest. Montreal Trust Company, Montreal, Trustee,

These Debentures will be offered for sale simultaneously in Canada, United States and abroad.

For detailed information, we refer to the prospectus containing letter from Sir Herbert S. Holt, President of the Corporation, which has been summarized in part as follows:—

The Corporation

Investment Bond & Share Corporation has been incorporated under the laws of the Province of Quebec with powers to acquire, hold, sell, underwrite and generally deal in government, municipal and corporation securities. The primary business of the Corporation will be the investment and re-investment of its resources in carefully selected obligations and shares both domestic and foreign. It is expected that the Corporation will benefit from the security and profit inherent in the holding of a widely diversified international list of investments and will enjoy opportunities to participate in underwritings not usually available to the individual investor.

Capitalization
(Upon completion of this financing)

	Authorized	Outstanding
Gold Debentures	$15,000,000	$4,000,000*
6% Cumulative Preferred Shares, par value $100	5,000,000	1,750,000
Common Shares, no par value	300,000 Shares	140,000 Shares

* Of Series A, 5%

Directors

Upon completion of organization, the Board of Directors will consist of: Sir Herbert S. Holt, *President*, President, The Royal Bank of Canada; Ernest Iselin, *Vice-President*, A. Iselin & Co., New York; J. H. Gundy, President, Wood, Gundy & Company Limited; Geo. H. Montgomery, K.C., Director, Montreal Light, Heat & Power Consolidated; Geo. E. Turnure, Lawrence Turnure & Co., New York; R. M. Youngs, A. Iselin & Co., New York.

Security for Debentures

Upon completion of this financing, the assets of the Corporation, consisting of cash and investments, will amount to at least $5,750,000. The Debentures, the total authorized principal amount of which will be limited to $15,000,000, will be a direct obligation of the Corporation and will be secured by Trust Deed constituting a floating charge on all the Corporation's assets, including assets acquired after the execution of the Trust Deed. Additional Debentures may be issued only under the conservative restrictions of the Trust Deed.

Preferred Shares

The preferred shares are preferred as to capital and dividends. They are cumulative but non-participating and are redeemable at the option of the Corporation at 105 and accrued and unpaid dividends.

The warrants to be attached to Debentures of this issue will entitle the holders to receive, without cost, from Montreal Trust Company (on the record date of the first dividend on the common shares declared by the Directors of the Corporation or, at the option of the Corporation, on an earlier date) ten fully paid common shares for each $1,000 principal amount of Debentures then held by them respectively. If any Debenture of this issue is called for redemption, but not otherwise, the holder will have the right to detach the share warrant. Additional or new issues of shares of any class need not be offered to the holders of common or preferred shares.

We offer these Debentures for delivery, if, as and when issued and received by us and subject to the approval of our Counsel, at

Price: 100 and interest, yielding 5%

with attached warrant for ten shares of no par value common stock with each $1,000 principal amount of Debentures

Wood, Gundy & Company
Limited
Toronto

A. Iselin & Co.
New York

Lawrence Turnure & Co.
New York

The information contained in this advertisement is based upon statements and statistics which we believe to be reliable. We do not guarantee, but believe the statements herein made to be true.

WHEN REMITTING
SEND
CANADIAN NATIONAL
EXPRESS
MONEY ORDERS

THE
ROYAL TRUST CO
EXECUTORS
AND
TRUSTEES

INVENTIONS PATENTED
TRADE MARKS and DESIGNS Registered
YOUR ENQUIRY IS SOLICITED
W. IRWIN HASKETT, 12 Elgin Street, Ottawa, Canada
SOLICITOR OF DOMESTIC AND FOREIGN PATENTS.

Pressed Metals Earns Well Although Motor Manufacture is Slower

Recent activity in the common stock of Pressed Metals of America is due, according to explanations from an authoritative source, to improved earnings.

Pressed Metals operates a plant at Marysville, Mich., for the manufacture of bushings. Virtually the only customers are automobile manufacturers. The process is a secret one which has been successful in overcoming a great deal of competition. In the current year, the company has increased its business materially, although statistics show that the production of automobiles as a whole is somewhat lower than a year ago. The explanation is, that while the company has not a diversity of product, it has a diversity of patronage. When one customer lowers his orders, other companies are increasing theirs.

Dividend is Expected

Probability that the company will be able to pay a dividend on the common stock in the current year, has led to some appreciation in stock-market values. The preferred appears to be somewhat low-priced for its class, although investment houses have pointed out that it is speculative in view of the fact that the company has only one product and that product dependent on an industry which at the moment is apparently on the verge of suffering from overproduction. The preferred is somewhat closely held, although there have been recent trades at 87, which gives a yield of 8.04 per cent. The common, which has fluctuated between 39 and 46⅜ since April 23rd, is considered to have fair speculative attraction in the existing market.

Find Economy in Factory

Pressed Metals of America is the company formed two years ago to take over Pressed Metals of Canada and its subsidiary, American Bushings Co. Pressed Metals of Canada was a spectacular stock during the war, selling up to 300, when the company was using its patented material as filler for shrapnel cases. Following the war, the company had to find a new use for its product. It had a contract with Ford Motor Co. for bushings, but this contract, as frequently happens with Ford contracts, was cancelled at an inopportune time for the company. The company is not now dealing with Ford.

When Pressed Metals of America was organized, arrears of dividends on the preferred stock of the Canadian company were eliminated. Economies of administration and operation anticipated when the company became a Michigan corporation not subject to taxation as a foreign company in the United States, have been in large part realized. In the last year, moreover, certain economies of manufacture have been achieved which will be reflected in the next balance sheet.

Sees Quebec Developing Into Big Mine Province

Great Diversity of Mineral Production Pointed Out By Engineer

By H. H. CLAUDIT,
C.P.R. Consulting Engineer.

In reviewing the mining potentialities of the largest province in the Dominion, one must be impressed with the progress made during the past twenty-five years by the Quebec Legislature in establishing necessary changes and amendments whereby prospecting has been encouraged, an equitable basis of taxation instituted, and a general desire shown to aid legitimate mining enterprise.

The addition of Ungava to the province about fifteen years ago, gives a total area of over 700,000 square miles, the largest part of which, including the northern area, is but little explored and most of this is underlain by pre-Cambrian rocks and as yet practically unprospected.

As the importance of the province as a mining country became more recognized the increase in production was very marked, and quoting from a provincial report, the mineral production in 1899 was a little over two and one half million dollars, in 1911 it had exceeded nine million dollars, and in 1923 it was about twenty million dollars.

Production Varied

A large variety of minerals goes to make this production, but the non-metallics and structural materials contribute the bulk, and asbestos, with its total production of 115 million dollars over 46 years' operations, is the most important and goes a long way toward providing the world's requirements of that material. A merger of the asbestos companies was effected in 1925 which should greatly assist the industry. Next in importance to asbestos comes cement, clay products, stone, etc. Amongst the non-metallics are the feldspar deposits of the Lievre River district centred around Buckingham, mica of the high grade amber variety between the valleys of the Gatineau and Lievre Rivers, magnetite in Argenteuil county, talc in the Thetford, Bolton and Potton districts, chromite near Coleraine, and graphite in the Buckingham district. All these minerals are important and likely to increase in production as general conditions develop and more efforts are made to meet outside competition, in fact as the industry of the Dominion expands no doubt most of these mineral deposits will be producing profitably including some of those which are at present idle.

Copper in Early Days

The production of metallic minerals in the province has not assumed any large figure yet, but perhaps one of the most interesting events in the history of Quebec mining is the activity which took place in the Eastern Townships around 1850-60 which led to the opening of a large number of copper deposits, and the discovery of the Eustis Mine and later the Weedon Mine. These early operations disclosed good grade copper ore causing considerable excitement and were stimulated by the outbreak of the Civil War in the United States which led to a strong demand for copper with high prices. The Eustis Mine has produced over a million tons of pyrite ore containing copper values with very small gold and silver values. It is one of the deepest mines in Canada, being about 3,700 feet below the surface. This mine is now producing high grade copper concentrates and also high grade pyrite.

Base and Precious Metals

Zinc and lead are being produced at Notre Dames des Anges, Portneuf County, and there are extensive deposits not fully developed on the Gaspe peninsula from which production is anticipated. The present gold and silver production is that associated with copper and lead zinc ores. There are a number of very promising molybdenite deposits in Quebec which, when developed and equipped, should give a steady production. Iron ores are of historic interest, like copper, as iron was smelted in Quebec on a small scale two centuries ago. In many parts of the province iron deposits occur which will be utilized some day. There are large deposits of titaniferous iron in the Chicoutimi district handy to water power, magnetite sands on the shore of the St. Lawrence, and it is possible that the indications of very large deposits of magnetite and hematite containing manganese along the Hamilton and Koksoak Rivers will some time interest parties prepared to investigate them and who may make their camp on the shores of Ungava Bay and wonder why the Rouyn mining district was ever referred to as "Northern Quebec."

Rouyn to the Front

In reality the Rouyn district, which is attracting so much attention now, does not look far away on the map. It appears quite close in comparison with Hamilton River or Ungava Bay, and when one remembers that practically the whole of the intervening area is composed of the great pre-Cambrian shield, which is considered to be similar geographically to the better known area already examined, and when one reflects on the latest discoveries such as Noranda, the possibilities of the province seem unlimited. In connection with this new area which has made a phenomenal record in the rapid blocking out of ore reserves, it is interesting to note that as far back as twenty or twenty-five years ago the presence of mineral deposits is recorded in the townships surrounding the Rouyn mining area; that free gold was found on the shore of Lake Fortune and other places, details of which were embodied in reports made by members of the Federal and Provincial Department of Mines; and that the Superintendent of Mines, in his annual report for 1911, made the following significant statement relative to the mineral production of 1911 as compared with that of 1899:

Made Prediction in 1911

"We see . . . . that the proportional progress of the mineral industry of the Province of Quebec has only been exceeded by Ontario. The production of the Cobalt camp is responsible for this remarkable increase in our sister province. There are in Northern Quebec and more particularly in Northwestern Quebec, large tracts of country which have been explored only in the most superficial manner. The geological conditions in these regions appear to be very similar to those which accompany the metalliferous deposits of Cobalt, Porcupine, and Sudbury. Should similar resources be discovered on the Quebec side, the future proportional increase would rise considerably."

So the possibility of the mineralized belt extending to the "Quebec Side" was being anticipated 15 years ago and had the war and its aftermath not intervened it is likely that the province would have been considerably further advanced than it is. Besides the interest taken by government officials, the Canadian Pacific Railway became interested in the possibilities of the district to the extent of sending a party in during 1922 to make resources surveys of the district from the Quinze northward to Lake Fortune. Consequently, with so much attention being given to the district, it did not take long after Ed. Horne located a rich deposit of gold-copper ore in the fall of 1922, for a considerable rush to start which resulted in a very thorough staking over some 15 to 20 contiguous townships.

Centres Round Noranda

The whole history of this district centres around Noranda, the company which took over the Horne location, and the exceptional results found on this property are largely responsible for the wonderful progress made in the development of this new mining district. Large deposits of copper ore carrying considerable gold values were found on the property by surface stripping and drilling which enabled a reliable estimate of many millions of dollars of ore in sight. Such was the sound hub around which the rest of the district revolved bringing sufficient confidence to permit of the development of a number of other properties to the point where they may be considered as producing mines, making the district far enough advanced to justify a branch railroad to Noranda and also an electric power transmission line, and the construction of a custom smelting plant by the Noranda company to treat the ores of the district.

Operating Conditions

No mining camp could hope to start under much better conditions. The leading companies have responsible administration with the best technical advice and ample working capital. Prospecting and exploration are being conducted under scientific lines and the vast extent of the area of mineralization and the nature of the ore occurrence as proven in the principal mines, gives the necessary inspiration to those whose properties have not yet reached the stage of measurable ore reserves, but nevertheless have indications justifying the expending of capital to prove their respective properties. The smaller operators are fortunate in being able to rely on the stability of the principal mining companies which should be of assistance in developing the whole district, provided a general effort is made to follow a moderate and wise course. While taking an optimistic view as to the possible extent of future operations in the Rouyn district — which seems justified by the existing favorable conditions—it must naturally be expected that every property will not become a mine by any means, and those who are disappointed might remember what Martin Luther wrote about mining—"The devil vexes and harasses the workmen in the mines. He makes them think they have found fine new veins of silver, which, when they have labored and labored, turn out to be mere illusions."

Without any doubt the facts briefly reviewed above and the promise of the future based upon the known and probable assets of the province justify the title given to this article "Quebec—A Mining Province."

FOREIGN EXCHANGES

Gold Movement Exchange Puzzle

Lack of any heavy commercial transactions, or new financing, is reflected in demand for New York funds, which were quoted during the week at a discount ranging as high as 3/64ths. Foreign currency, however, displayed strength, particularly in sterling, yen and Shanghai demand for silver.

English sterling fluctuated in a narrow range, due to unusual movements of gold in the London market. Repatriation of French holdings abroad is now apparently taking place in some volume. Consequently there has been a heavy withdrawal of French funds from London. At the same time there has been reported sales of gold, some of which was destined for Germany. It is not quite clear as to why Germany should be purchasing the metal, as gold means little as far as that country is concerned. The Reichsbank maintains control of the bullion situation, though theoretically private gold movements are permitted. The Reichsbank has recently been selling gold to England, which has made the situation even more confusing.

There has been a greater interest in the Japanese yen, buying and selling in large volume taking place on commercial commitments. The rate declined and buying took place presumably on government account. The situation in Japan is still uncertain and, though the Imperial government has announced support for those banks in trouble, traders are not too optimistic on the outlook for the yen.

Italian lire and other currencies were quiet, although a large percentage of the trading is still taking place in the lire.

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
May 19	3-64	3-64	1-32	1-32
May 20	1-32	3-64	1-64	1-32
May 21	1-32	1-16	1-32	1-32
May 23	1-32	3-32	1-32	1-32
May 24	....	....	....	....
May 25	7-64	1-8	1-32	3-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 19	4.85 1/16	3.91 5/16	5.84¼
May 20	4.85 7/32	3.91⅜	5.45
May 21	4.85	3.91⅜	5.45¾
May 23	4.85 7/16	3.91½	5.47
May 24	4.85½	3.91⅝	5.40¼
May 25	4.85 15/32	3.91⅝	5.44½

FOREIGN EXCHANGE

Par		May 18	May 25
13.90	Italian	5.42	5.45
32.45	Brazilian	11.81	11.81
23.82	German	23.69	23.67
19.30	Belgian	2.78	2.78
84.85	Japan	47.35	46.50

A CANADIAN MANUFACTURER

in a thriving Ontario city, operating in a conservative manner since 1913, with a product for which there is a ready and now increasing demand, must have additional capital (about $15,000). Would like to get in touch with private individual who would become a member of firm.

Fullest investigation may be made through bankers and other reputable sources.

Write in first instance,
MANUFACTURER,
Suite 316, 331 Bay St., Toronto.

Have You A Warehouse in the West ?

This Building May Suit You

Located at Brandon, Man., with excellent trackage facilities, suitable for offices or warehouse; a good proposition well worth investigating by manufacturers or wholesalers interested in establishing Western branches.

For information as to price, terms, and other particulars, write

Box 47, Financial Post, Toronto, Ont.

TUCKETT TOBACCO CO. EARNINGS INCREASE

Company's Balance Reveals Exceptionally Strong Position Financially

Profits of the Tuckett Tobacco Co. in the fiscal year ended March 31 were $345,015, compared with $311,558 the previous year. The corporate surplus for the first time tops $1,000,000, after payment of preferred dividends of $140,000 and common dividends of $100,000.

The ratio of current assets to current liabilities is nine to one, the working capital totaling $2,521,148. Total assets are $6,489,745. Real estate, buildings, plant, etc., are carried on the books at $1,179,275 and trade-marks, brands, goodwill, etc., are valued at $2,478,672. Reserves are shown at $600,000.

Profit and Loss

Yr. end: Mar. 31	1927	1926	1925
Profits	$ 345,015	$ 308,665	$ 311,558
Pref. Dividends	140,000	140,000	140,000
Com. Dividends	100,000	100,000	100,000
Surplus	105,015	68,665	71,558
Prev. Surplus	902,680	834,015	762,457
P. & L. Surplus	1,007,695	902,680	834,015

COOKSVILLE SHALE BRICK COMPANY LIMITED

DIVIDEND NOTICE

A Quarterly Dividend of One Per Cent. (1%) on the Preference Shares has been declared, payable June 15th, 1927, to Shareholders of record at the close of business on May 31st, 1927.

By order of the Board.
WM. TAYLOR,
Secretary.
Montreal, Que., 23rd May, 1927.

Ten Thousand will handle this

Solid Brick Business Block, first class condition, and location, all under lease and yielding 9½% net, must be sold. This is a permanent investment without risk. No Agents.

Apply Box 50,
Financial Post, Toronto, Ont.

SALES & ADVERTISING MANAGER

With worthy credentials and successful record desires change. Canadian; married; age 33. At present engaged, but seeks new association with reputable and well-established concern, where executive experience in sales and advertising problems can be applied.

Box 52, Financial Post,
153 University Ave.,
Toronto, Ont.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending June 30th, 1927, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the second day of July, 1927, to shareholders of record at the close of business June 15th, 1927.

By Order of the Board,
G. WILFRED HODGSON,
Secretary and Treasurer.
Montreal, May 23, 1927.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the twenty-seventh (27th) quarterly dividend of one and a half per cent. (1½%) for the quarter ending May 31st, 1927, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of June, 1927, and that cheques will be mailed June 30th, 1927.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.
Montreal, Que., May 20th, 1927.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the sixty-fourth (64th) quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for the quarter ending May 31st, 1927, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of June, 1927, and that cheques will be mailed June 30th, 1927.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.
Montreal, Que., May 20th, 1927.

NOTICE

PORT ALFRED PULP & PAPER CORPORATION

Notice is hereby given that a Quarterly Dividend of 1¾% (being at the rate of 7% per annum) on the 7% Cumulative Preferred Stock of this Corporation for the Quarter ending June 15th, 1927, will be payable on that date to Shareholders of record June 1st, 1927.

By Order of the Board.
A. WAGNER,
Secretary.

Capital Wanted

A soundly entrenched Importing business wishes outside capital to expand. Excellent contracts in hand ensure good security. Capital needed to provide additional salesmen and increase business. Replies treated confidentially and references willingly exchanged.

Wolff Importers Limited
Calgary Alberta

Township of Barton

Debentures for Sale

Sealed tenders marked "Tenders for Debentures" and addressed to the Reeve of the Township of Barton, Court House, Hamilton, will be received up to 2 o'clock p.m. on Monday, the 6th day of June, 1927, for the purchase of $7,000 ten-year 5½% straight term bonds, for the purpose of paying for the cost of constructing a school house in Union School Section No. 3 of the Townships of Barton, Ancaster and Glanford.

The interest is payable half-yearly and the principal at the end of the term.

The highest or any other tender not necessarily accepted.

SIDNEY G. SIMS,
Clerk of the Township.

Lake Shore Mines, Limited

(No Personal Liability)

Dividend No. 29—Bonus No. 5

Notice is hereby given that a quarterly dividend of ten per cent., on the issued capital stock of the Company, will be paid on the 15th of June, 1927, together with a bonus of ten per cent., to shareholders of record at the close of business on the 1st day of June, 1927.

By order of the Board.
KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, May 23, 1927.

The Wabasso Cotton Company, Limited

Dividend No. 38 and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company has been declared for the quarter ending 30th June, 1927, also a Bonus of Fifty Cents per share payable on the 2nd day of July, 1927, to Shareholders of record as at the close of business on the 15th June, 1927.

By Order of the Board,
JAS. R. RITCHIE,
Secretary-Treasurer.
Three Rivers, Que., May 12th, 1927.

The Cosgrave Export Brewery Company

Dividend No. 18

Notice is hereby given that a quarterly dividend of one and one-quarter per cent. (1¼) has been declared on the shares of this company payable on the 15th day of June, 1927, to shareholders of record the 31st day of May. James F. Cosgrave, President.

DOMINION GLASS COMPANY LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1927.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1927.

The above Dividends are payable on Saturday, the 2nd day of July, 1927, to Shareholders of record at the close of business Wednesday, the 15th day of June, 1927.

By Order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 19th May, 1927.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1927.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 19th April, 1927.

Town of Wainwright

SPECIAL DEBENTURE DRAWING

A drawing will be held at the Office of the Secretary-Treasurer on Wednesday, the 15th day of June, 1927, at the hour of 2 o'clock P.M., for the redemption at face value and interest, of Special Debentures of the Town of Wainwright, designated Series "A" numbered from One (1) to One Hundred (100) inclusive.

The face value of debentures to be redeemed at this drawing amounts to $1,000.00.

H. Y. PAWLING,
Secretary-Treasurer,
Town of Wainwright.

Dated at Wainwright this 16th day of May, 1927.

Debentures For Sale

TENDERS will be received by the undersigned up to noon of Monday, the 13th day of June, A.D., 1927 for the sale by the Corporation of the County of Renfrew for the sale of Debentures as follows: $18,152.49—5½ per cent, Ten Years—County of Renfrew share of expenditure due the Department of Highways for construction within the County for the year 1926; Debentures dated February 1st, 1927, payable in ten equal annual instalments at the Pembroke Branch of the Bank of Nova Scotia. Tenders must be with interest. These Debentures are issued pursuant to By-law No. 1093 of this Corporation and have been validated and certified by The Ontario Railway and Municipal Board.

No Tender necessarily accepted.

Mark envelope "Tenders."

Dated at Pembroke this 19th day of May, A.D. 1927.

R. J. RONEY,
County Clerk,
Pembroke, Ont.

HOWARD SMITH PAPER MILLS LIMITED

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of June, 1927, payable on the 11th day of July, 1927, to Shareholders of record at the close of business on the 30th day of June, 1927.

By order of the Board.
E. HOWARD SMITH, Jr.,
Secretary.
Montreal, May 23rd, 1927.

BELGO CANADIAN PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending June 30th, 1927:—

Dividend No. 16 on the preferred stock: One and three-quarters per cent. (1¾%) payable on the 2nd day of July, 1927, to shareholders of record of the 3rd day of June, 1927.

Dividend No. 11 on the common stock: One and a half per cent. (1½%) payable on the twelfth day of July, 1927, to shareholders of record of the 30th of June, 1927.

By Order of the Board,
G. WILFRED HODGSON,
Secretary-Treasurer.
Montreal, May 18, 1927.

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Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, MAY 27, 1927 Member of Audit Bureau of Circulations No. 21

Modern Prospecting is Much Different from Old

Many Aides Devised to Aid in Search for Mineral

HARD WORK NEEDED

Study of Rocks, Pick and Shovel and Pan Still Necessary

By DR. W. H. and W. M. GOODWIN,
Eighth article on the Prospector and Prospecting.

In prospecting we have traveled a long way from the rather aimless wanderings of the old-fashioned prospector, in whose search the element of chance was so large, that the whole business seemed to be ruled by it. The advance in prospecting methods has been in the direction of replacing chance by knowledge. But when the best has been done in the way, Lady Luck will still be a potent personage in the search for mineral deposits.

The modern prospector goes about his work with a vastly greater equipment of information than was possible for the prospector of old. He can choose his ground by study of the geological maps, and so save the time that might be wasted in hunting over hopeless stretches of country. His chances of finding something of value are increased by his wider knowledge of minerals, and he is able to direct his search more intelligently by reference to the geological structures—the rock-plan of the country in which he is working. He is also better equipped to read the sun-face signs of mineral deposits. But his way of working must still be the good old-fashioned way of careful search for signs, examining places that look likely, digging down through rusty coverings to see what is beneath, and testing by weight, hardness and other properties anything that looks like valuable material. The modern prospector uses extensively a method very little practised in old times, when the searcher contented himself pretty much with the examination of outcrops. Trenching is constantly used now-a-days. The prospector knows the direction of the veins in the area where he is working and trenches across this direction. In Northern Ontario his trenches would be run in a north and south direction or thereabouts, but in North-western Ontario the majority of the veins have a strike about northwest and southeast, or often nearly north and south. To pick up such veins, trenches would have to be dug in a direction between east to west and north-east to south-west.

Examine Shear Zones

A great deal of attention is paid to shear zones, that is, bands of rock that have been extensively cracked by forces that have worked on the rock by pushing in opposite directions. These forces develop parallel cracks in the direction of the length of the band and also cracks across the length. Sometimes the rock is crushed irregularly, forming crush zones. Such places may be mineralized across the whole width which is at times hundreds of feet, or the values may be confined to parts of the band or zone. Pyrite is the commonest mineral found in shear zones and indeed in all structures where the prospector may hope to find valuable deposits. As pyrite leaves a rusty residue on weathering, the prospector always examines carefully any rusty surface. Rusty capping (gossan) may cover copper, zinc, and lead ores. But zinc and lead ores may sometimes weather to a white, gray, or light brown covering, with very little rust showing. The modern prospector is acquainted with all these facts and in his search is careful to note such surface signs. He also watches for these alterations in the rocks that accompanied the formation of mineral deposits, such as long breaks and faults, schisting, and the plentiful occurrence of pyrite in the schisted rock. Favorable places are sometimes shown by long, low ridges where the rock has been strengthened by the deposition of quartz. Long, straight narrow hollows may conceal valuable ore bodies that have been hollowed out because of the ease with which they have been softened by weathering. Veins are often found in the neighborhood of a cliff or ledge, indicating a fault. Trenching across the length of such structures may show up the ore.

Must Know Structure

It is plain that the prospector must be well up in the meaning of rock structures, if he is going to use intelligently the methods indicated.

Float is rock or mineral that has been moved from its place. This motion may have been caused by rolling down hill, by the rush of water in a stream, by ice lifting blocks of rock from the water near the shore and by expansion pushing them up on the shore, or lastly by glacial action. The prospector must know enough of natural processes to sort out the probable cause when he finds valuable float, so that he may be able to choose the right way of following it back to its source.

Panning Helpful

The miner's pan is a useful method of prospecting, particularly for gold, but many prospectors attach too much importance to "colors" of gold obtained by panning surface samples. They forget that the loose material is concentrated so far as concerns the gold, and that good pannings may be got over rock where the fresh material may not carry more than a dollar or two. Platinum and tinstone may be detected by panning and the prospector should know about both of these valuable minerals.

Certain scientific instruments have been applied to prospecting. Some of these are simple enough to be used by the prospector, but others require the trained expert.

The dip-needle is a kind of large compass with the needle hung so that it can move freely in a vertical circle. It dips when attracted from below. There are two common minerals that are strongly magnetic, magnetite and pyrrhotite. The magnetic ore of iron (or magnetite) is of common occurrence in workable deposits, in banded iron formation where it is mixed with quartz, and in scattered grains in granite and other masses. It is possible to locate valuable magnetite deposits by means of the dip needle, but it should be remembered that the needle will also be attracted by lean ore and even by rock with magnetite scattered through it.

Magnetic Ores

The mineral pyrrhotite is composed essentially of iron and sulphur, and in itself it is of no value. But it sometimes carries enough nickel to make it a valuable nickel ore. In

(Continued on page 19)

Pays Tribute to Technical Staff, of Mining Corp.

Pres. J. P. Watson, of Mining Corporation and Lorrain Trout Lake, told shareholders of these companies about the excellent work accomplished during the hunt for new ore on these properties by the corporation's technical staff. The same staff has charge of both operations.

Mining Corp. affairs he said have steadily and continuously improved over the last few years, and this improvement is largely due to the efforts of the mine manager and staff, of which we are justly proud.

Mr. Watson went into some detail in regard Lorrain Trout Lake, pointing out that on this property two shafts had been sunk in spots where nothing was showing, but in each case the operation resulted in finding high grade.

Mr. Watson did not mention names but it is presumed that the men to whom credit is due are M. F. Fairlie, mining manager; Mr. Emmons, geologist; Capt. Fancy, in charge of South Lorrain operations and "Hal." Fancy, resident manager in South Lorrain.

HIGH GRADE SILVER FINDS OFFSET LOW PRICE OF PRODUCT

Mining Corporation Not Worrying Greatly Over Present Silver Price

FLIN FLON OPTION

Extension Granted to Whitney Interests to Further Pursue Ore Tests

Pres. J. P. Watson, Mining Corporation of Canada, in addressing shareholders at the annual meeting, made a rather interesting point in regard the present low price of silver. He told shareholders that the corporation was more concerned with the finding of high grade than with the 10c. drop in silver, pointing out that the bulk of the Cobalt camp's high grade was mined while the prevailing silver price was lower than it is to-day.

The other feature of the president's address was that to the effect that the Whitney option on Flin Flon property, Central Manitoba, had been extended to December 1. The reason given is that the spring break-up has interfered with the water supply, making it impossible to successfully proceed with the tests. The points raised are not without interest and indicate that water is a very important ingredient in the process that was worked out at Denver. Mr. Watson's address:—

"The Cobalt properties were operated satisfactorily during the year 1926, and the output of silver was increased. This rate of production has been maintained since the first of the present year; how much longer this will keep up depends upon the results of work in the comparatively small area yet to be explored.

Drew on Ore Reserves

"As you know, the production from our South Lorrain mines during last year was again derived chiefly from high grade ore. Production so far this present year has been continuing at an equal rate. The most important find of high-grade ore made since the first of January last, was in a raise from 'C' stope above the third level of the Frontier-Crompton. High-grade ore has been exposed for sixteen feet in height and with widths running from eight inches to two feet. The ore will average about 3,000 ounces. The machine was moved to the sublevel above, where drifting continues. The high-grade ore extracted since January 1st last has exceeded that exposed by new discoveries, but this condition may change at any time.

"Work on the two-compartment winze on the Crompton mine has been carried on continuously, and at the 1,200-ft. level a cross-cut was driven which established the presence of the Woods' vein in the diabese at that depth, where it maintains the strong characteristics shown in the upper levels. Sinking was then resumed in the winze toward the lower diabese-Keewatin contact, our objective, which should be reached within another month.

Work is Important

"As was pointed out in the annual statement, the results of exploration from the bottom of this winze will be of the utmost importance to your corporation, as there is no reason geologically why the lower contact should not be as interesting as the rich upper levels.

"Activities in South Lorrain, apart from the producing mines, have been confined to lateral diamond drilling at a depth of about three hundred feet on claims in the sedimentary formation owned by your corporation. No discoveries so far have been made in this section.

"We have 218 acres under option at reasonable prices, east of Cross Lake, and we have already commenced the sinking of a shaft. The geological structure of these properties, as shown by diamond drilling, which is exactly similar to that

(Continued on page 18)

QUEBEC OPERATIONS DRAWING INTEREST

McDougall, Corona and Thormoor Operations Meeting With Success

Corona Mines has been attracting an unusual amount of attention up north at the present time, and this is reflected in the market for shares. The company's two groups of properties are regarded by geologists and mining engineers as among the promising in North-western Quebec. One group is in Duprat Township along side McDougall Mines where the Lindsley-Errington people are doing extensive development work, and also adjoining the Thormoor Mines, on the north, developing under the direction of U. S. Smelting Co. The other group is in Dasserat Tp., adjacent to Nipissing drilling results of which occasioned a great deal of interest and gossip and which resulted in Nipissing rushing their mining plant in before the snow went in order to permit of immediate shaft sinking. The diamond drilling on the McDougall Mines is said to have proved an important body of ore and a statement is expected to be issued within the next few days showing that excellent ore has been proven by the drill over commercial widths.

Diamond drilling on the Thormoor property at a depth of sixty feet encountered massive chalcopyrite and continued to a depth of three hundred feet. Two other diamond drill holes revealed massive chalcopyrite over commercial widths. Recent assays from the Thormoor ran 13.18 per cent. copper.

Mining Men Pick Woodbine Winners

Hon. Charles McCrea, minister of mines of Ontario (left) and Arthur D. Miles, (right) at Woodbine Race Track, Toronto, on King's Plate Day. Mr Miles is president of Central Manitoba Mines, president of Anglo-Canadian Explorers and director of International Nickel.

Errington Has Nursed Knowledge of Chelmsford Zinc Deposit 25 Years

Sank Shaft Looking for Copper and Cut Zinc—Ores Complex

NOW OPENED UP

Considerable Lateral Work Indicates Lead and Gold Values in Ore

By A. BUISSON,
Mines Branch, Dept. of Mines, Ottawa.

The records of the Mines Branch of the Department of Mines show that the knowledge of the existence of deposits of zinc ore in the vicinity of Sudbury dates back about twenty-five years when Joseph Errington sank a shaft not far from Chelmsford, Ontario, in the search for copper deposits. Several years later a diamond drill hole sunk in this region in search of coal seams also indicated the presence of zinc. The recent high prices being obtained for lead and zinc probably induced Mr. Errington to follow up these original discoveries. The similarity between the ore proven by both the former workings was noted and further surface prospecting undertaken with encouraging results. Mr. Errington succeeded in interesting the Bunker Hill and Sullivan Mining Company, Ltd., of Kellogg, Idaho, in the development, and in 1925 an extensive program of diamond drilling was started by this company, through a subsidiary, the Treadwell-Yukon Company.

In Sudbury Area

The new field is located about seventeen miles northwest of Sudbury, two miles north of the main line of the Canadian Pacific railway and about six miles northwest of the Creighton nickel-copper mine, which is operated by the International Nickel Company of Canada. The holdings of the company extend for about four miles in a northeastern and southwestern direction along the strike of the orebody. Four diamond drilling machines were in continuous operation from June 1925, until July 1926, and about 60,000 feet of drilling was completed in this period. The results obtained induced the company to undertake further exploration by means of underground development and the first shaft, started early in the fall of 1926, has been sunk to a depth of over 300 feet. Nearly 1,000 feet of drifting has been done to date. The orebody is said to run from 10 to 20 feet in width and to contain good values. A large new shaft is to be sunk to a depth of about 600 feet. This No. 2 shaft will be located about 3,000 feet east of No. 1 shaft. The work is under the direction of M. P. R. Bradley and the head office of the company is at Kellogg, Idaho.

Others in the Field

A new operator in this field, is the Primos Chemical Company, with head office at Packard Bldg. Philadelphia, and with R. B. McGinnis as superintendent of the operations. This company has undertaken an extensive diamond drilling campaign. Their holdings extend for eight miles on the west side of the Treadwell-Yukon Company's property and for three and a half miles on the east side, and the general strike of the formation is northeast and southwest. Other interests including the International Nickel Co., of Canada, have also taken up claims in the locality.

It appears that most of the area underlaid by the sedimentaries of the Whitewater series and extending east and west for about twenty-five miles and with a width of about seven miles has already been staked by various interests. While the development to date has been mostly confined to diamond drilling, the results are decidedly encouraging and the Sudbury area will probably soon have, in addition to its important nickel-copper mines, an important source of zinc and allied metals as the ores are said to be complex and to include gold, silver, copper and lead as well as zinc.

GOOD VALUES FROM SCHREIBER GROUP

Harkness-Hayes Has Sent Out Three Trial Shipments of Ore

Harkness-Hayes Gold Mining Co. spent around $50,000 in 1926 operating its property 2½ miles east of Schreiber. Part of it went to provide modern equipment and camps, while from May on two shifts were engage in mining operations, consisting of driving an 800 ft. tunnel. Surface trenching and stripping has revealed eight veins on surface with high values in gold and silver.

The tunnel was started some 250-ft. below the surface and crops on the hill and values so far encountered tend to check well with surface.

Another tunnel is being driven on Vein No. 1 to the east, and is now in about 50-ft.

The company reports sending a small shipment of ore to Temiskaming Testing Laboratories, Cobalt, 150 lbs, and it showed an average of $78.20 gold. A second shipment of 1,500 lbs as a check yielded $100.80 per ton. Another shipment, this from No. 1 Vein, sent to Kingston School of Mines and yielded $115 gold and some silver.

PAYMASTER SHARES OFFERED AT 65c

Delinquent Stock Purchases Being Cleaned Up—Will Complete All Financing

Premier Paymaster Mines has offered shareholders an opportunity to take up new shares at 65 cents. The basis is one new for every five shares held and paid to date.

Paymaster's is the only assessable stock in Northern Ontario. Thirteen assessments have been made and there are some shareholders who have not met all their payments. This has left a block of stock that is to be offered old shareholders and the directors will take what is left. It is believed, says the company's bulletin, that this will complete the financing of the venture. The notice says:

"The stock to be available is the accumulation of so-called delinquent stock on which back assessments are overdue, and is stock where stockholders have paid part cash on assessments and given notes for the balance and have not met their notes.

"The company must realize the cash due it on these back assessments and this method has been decided upon as the best method of cleaning up the matter.

"The money received on these orders, aside from brokerage charge of 1c per share, will be entirely for the benefit of the Treasury of Premier Paymaster Mines Company, except that stockholders who owe less than 65c per share to make their stock 13 Assessments paid, and who give orders to sell their stock at 65c per share, will receive the difference between what they owe and 65c per share."

FIRST ISSUE SUBSCRIBED

First issue of Woodbine Mine stock, a consolidation of Portland Canal properties, B.C., including Premier Extension, was all taken up by Winnipeg people.

BEARISH ARTICLES ON NICKEL CAUSE MUCH SPECULATION

Big Developments Under Way and Stock Reaches New High

SOME ARE SKEPTICAL

Nickel Reserves Are To-day Least of Worries of Large Sudbury Operators

Is there a campaign of propaganda to depress the market in International Nickel?

There has been a suspicion that such was the case for some time.

The Financial Post is the only paper that has published any details of the developments that are going on at Frood Mine and which led directors to decide to spend $10,000,000 on an electrolytic copper plant.

Some papers say that there is nothing new to account for the stock selling at its present level, yet the strange situation exists of numerous holders of the stock—purchased to hold for market appreciation—praying that it would sell lower that they might add to their holdings at lower levels.

Optimistic at Sudbury

The writer spent one day in Sudbury last week, and found the greatest optimism abroad among well informed men. The present price of Nickel is low as compared to the most modest prediction of where the stock will go inside of one year. These people back their optimism with real facts, and the possibility of increased earnings over a period of years.

When Nickel was around the early fifties a very bearish article made its appearance in Toronto and at that time Toronto started selling freely. New York showed such startling absorption powers on a rising market that Toronto sellers became suspicious and started making inquiries. As a result Toronto quickly switched to the buying side and bought the market up to a new high of 61 before their wants were fully taken care of. It is understood that their investigation revealed the fact that the New York buying was for insiders and it was only a day or two later that the announcement was forthcoming that an electrolytic plant would be built.

Since that time the market eased back to 56-58, where it met with strong buying resistance. There are two opinions as to the reason for the recent move which carried the stock up to a new high, 66. One was that the buying was for insiders and the other that it was shorts covering. It is evident that a good deal of the buying was Canadian as on Tuesday, with the Canadian markets closed, the shares eased back in New York.

Will New York Ease?

The writer knows that many who contemplate buying considerable Nickel, are looking for a reaction in New York during the coming summer to carry the stock back to perhaps the early fifties or late forties. However, there are no signs or indications of any New York break or reaction at present and the outlook is that for the present Nickel's resistance point will be established around 60.

One of the rather amusing features of the most recent bearish article on Nickel is the point that the profits on the precious metal content, platinum and gold, will not be as large as expected. The fact remains, however, that the precious metal content is such that it will give net profits sufficient to pay for opening up the mine and building the new electrolytic plant and leave the high grade copper and low nickel content to take care of operating costs and profits.

Question of Reserves

Another point was in regard to Creighton mine ore reserves. Someone suggested 50,000,000 tons in reserve for Creighton mine. The figure in Ontario Nickel Commission report

(Continued on page 18)

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NO INDICATION OF REASON BACK OF PIONEER DECLINE

Progress Report Shows Results Good on Different Holdings

Considerable interest attaches to a progress report issued by Pioneer Mining Corp. because of the recent decline in the market for the shares to below 80c., while not long ago they sold up above $1.10. While no statement as to the cause of the break in the market has been forthcoming, it is understood that a disturbance of the financing arrangements was the weakening factor, it resulting in support being withdrawn from the market. This is believed to have been patched up.

The progress report indicates that good results are being met with in Michipicoten, on the Cooper property, and that diamond drilling on another section of the Cooper has been quite favorable.

Considerable is told in the report on the work being done on the company's holdings at Clearwater Lake, Red Lake area and in Gaspe, where the company has lead-zinc prospects. The reports:—

Clearwater Lake

In the Clearwater Lake district, the Corporation shares with the Huronian Belt in owning one group of claims, and in having options over three other groups—a total area of 2,160 acres. All are considered to represent favorable ground, but only one group has, as yet, been prospected at all. On this group a strong mineralized zone had been traced by trenching for a length exceeding 300 feet, in the last news received about six weeks ago, but at that date this had been systematically sampled for a length of 120 feet only. The results of the sampling of four rock trenches in this length gave a general average of $6.30 in gold per ton over a width of 37 feet. The engineer in charge of operations in the field, however, states that two trenches, 85 and 135 feet respectively to the northward of the 120 feet showed well mineralized material carrying numerous quartz stringers and a little visible gold. Obviously the full length of the zone has not as yet been exposed.

Gaspe Operation

In Gaspe, Pioneer Mining Corporation has a block of 36 claims containing approximately 1,440 acres, and also shares with the Huronian Belt Company equally a further 49 claims, containing 1,960 acres. Of the claims held entirely by the Pioneer only five have been prospected in any detail, and even on these the work has been comparatively limited. The remainder of the ground held is quite unexplored. On the five claims already prospected the gossanous outcrops of thirty veins were discovered during the prospecting conducted in the closing months of last season, these vary in width from three feet to as much as forty feet. In order to test the theory of improvement in lead-zinc values below the leached surface outcrops, a simple plant has been installed and a tunnel driven into the hillside to intersect a number of the veins. One vein was cut at 117 feet from the entrance carrying 14 per cent. in lead and zinc over a width of 5 feet. Drifting has been started on this vein and the tunnel is being continued into the hillside with the object of cutting other veins. Vigorous surface prospecting will be started on the several holdings as soon as weather conditions permit, probably about the 1st of June.

Cooper Gold Operation

In Michipicoten the new Minto shaft of the Cooper Gold Mines has been sunk to a depth of 330 feet vertically, and drifting is advancing rapidly on the Minto Vein, at the 2nd and 3rd level, respectively 100 and 200 feet vertically below the surface, or approximately 150 feet and 300 feet on the incline, below the No. 1 level, extended from the old prospect shaft at a depth of approximately 100 feet on the dip of the vein. The downward continuation of the shoots at that horizon, which it will be remembered had an aggregate length of 550 feet and an average value of approximately $10 over 5 feet, are in process of development at the two lower horizons, with satisfactory results. It is obviously too early to state what the extent and grade of the shoots at these horizons will be.

Drilling Encouraging

During the winter and spring the Jubilee Vein, a pronounced well demarcated break which can be traced at intervals for a length of 2,000 feet along the surface of the northern part of the Minto block of the Cooper Gold Mines, and the adjoining Michael Option (held equally by the Pioneer Mining Corporation and the Huronian Belt Company) has been partly explored by diamond drilling at two horizons, one at a depth of about 100 feet and another at about 250 feet vertically below the surface.

The most interesting results were those obtained in the last series of holes, four in number, sunk entirely on Cooper Gold Mines ground, which indicate a deposit 24 feet in width with an average value of $7.60 for a length of at least 300 feet. Diamond drilling is being continued at various horizons to test the continuity of the deposit.

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BEARISH ARTICLES ON NICKEL CAUSE MUCH SPECULATION

(Continued from page 17)

was an estimate of 10,000,000 tons. That report said the proven nickel tonnage was 70,000,000 tons and possible 150,000,000 tons. International Nickel estimate of three mines—the Creighton would be included was 57,000,000 tons. The report remarked that although the area at that time, (1917) had been worked 29 years, there was vastly more ore proven today than there was 5 years previous, which would mean 1912.

It is safe to say that there is much more ore proven to-day than in 1917, despite the production of around 1,300,000 tons yearly for the ten years intervening. For instance there is the Frood mine which is creating the hubub now and which will add materially to Nickel's reserves and has added already materially to those of Mond Nickel.

The report estimated 4,500,000 tons reserves for Levack mine of Mond and 8,500,000 tons for Murray mine of British American Nickel and now owned by International Nickel.

Ore reserves are not one of the worries of either International Nickel or Mond Nickel to-day.

Keeley Opening Up Rich Shoot on Lower Levels

During April, production of Keeley Silver Mines amounted to 124,817 ounces of silver and 11,125 lbs. of cobalt. The corresponding figures for the two preceding months were March, 125,250 ounces silver and 9,237 lbs. cobalt; February, 124,822 ounces silver and 10,276 lbs. cobalt. During the last few months interesting developments have been taking place on the No. 28 vein in the western part of the property. The extensive shoots of high grade ore found on the 11th or 820-ft. level on this deposit have been followed downward to the 12th or 895-ft. level, and are now in progress of exploration at that horizon.

MARRIOTT GROUP LOOKS ATTRACTIVE

High Copper Values Reported Along the Ontario Boundary

Further developments carried on by Marriot Mines on their properties in Marriott Township adjoining the Quebec boundary at the northwest corner of Montbray Township, revealed a continuation of the big surface showings uncovered last fall and on which assays ran better than 26 per cent. copper with 2½ oz. of silver and a ¼ oz. of gold to the ton. This company has been carrying on a systematic development campaign and while they have been rather reluctant in giving out information, it can be stated definitely that the results are so encouraging that three of the large mining companies have had their representatives at the property and have made propositions to the owners. These however, have not been entertained and at the present time two diamond drill companies have their representatives in the field arranging for diamond drills to be sent to the property immediately for a very extensive diamond drilling campaign to explore and determine values at depth.

Marriott Mines gives promise of being one of the most important properties in northern Ontario and Quebec and the developments are being watched very closely. The company is exceptionally well financed and in view of the results to date and the big developments planned, undoubtedly the section in which the Marriott properties are located will be heard from in a big way in the next few months.

TRAIL ORE RECEIPTS

Ore receipts at Trail Smelter of Consolidated Mining from 8th May to 14th May, 1927, inclusive, and from 1st January, 1927, to date, in tons:

Company's mines	7,215	154,178
Other Mines	2,921	62,917
	10,136	217,095

NEW BROKERAGE OFFICES

Ruggles and Ruse, mining brokers, announce the opening of new offices on the ninth floor of Royal Bank Building.

MINING STOCK QUOTATIONS

Week ending May 23

	Par. Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close May 23	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Ajax	.	...	...	28	26	26	1300	...	...	39	6½
Amulet	1	...	...	1.71	1.34	1.59	292678	2.98	.90	2.89	.85
Algonquin	1	...	...	2¾	2½	2¾	10000	6¼	1¼	5¼	2
Apex	1	...	...	1½	1½	1½	1000	6	2¾	3½	1½
Area	1	...	...	35	29	34	82725	1.55	.21	1.95	.23
Argo. Con.	1	...	...	55	48	54	316850	67	18½	59	33
Atlas	1	...	...	6	5½	5¾	80700	5	1⅝	7	2
Abana	.	...	...	75	52	...	8800	...	...	75	20
Aconda	.	...	...	25	21	21	6100	...	...	45	20
Allied M.	.	...	...	...	...	...	....	...	...	5.51	2.70
Archean	.	...	...	18	18	18	25	...	...	18	17½
Amos	.	...	...	...	...	...	....	...	...	56	15
Archean	.	...	...	...	...	...	....	...	...	18	17½
Baldwin	1	...	...	2¼	2	2	11000	6⅞	1	4¾	2
Barry Holl.	1	...	...	32	30	30	76400	1.00	.21	1.00	.30
Beaver	1	...	...	1.15	1.07	1.13	42000	.99	.51	1.22	.59½
Bellellen L.	1	...	...	4	4	4	1000	23½	20	23½	3½
Bidgood	1	...	...	12	11	11	12000	9⅝	4½	12	5
Bard	.	...	...	1.59	1.08	1.25	4450	...	...	1.59	.30
Boston Creek	1	...	...	..	...	...	....	7½	2½	1	½
Bourlamaque	1	...	...	...	...	...	....	1.45	1.02	1.53	.50
Buckingham	1	...	...	4½	4	4¼	20800	7¾	2	9½	4
Boischatel	.	...	...	6½	6	6½	5750	...	...	27	6
Bunker R.	.	...	...	...	...	...	....	...	...	78	75⅝
Calartic	.	...	...	...	...	...	....	...	...	1.00	.94
Can. Lorrain	1	...	...	22	21	22	1300	93	57	72	20½
Capitol S.	1	...	...	20½	20	20	9600	48½	24	34	20
Capital R.	.	...	...	...	...	...	....	43	26	54½	15
Cen. Manitoba	.	...	...	1.69	1.60	1.63	42925	...	...	1.90	1.07
Castle Tre.	1	...	...	85	81	81	8990	1.85	.91	1.27	.81
Chaput H.	1	...	...	10	8¼	8½	42500	22	3⅛	13¾	4⅝
Clifton	1	...	...	1½	1½	1½	1000	6½	1	3½	1
Coniagas	5	...	...	3.60	3.50	3.50	900	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.50	3.15	3.25	1745	4.60	3.00	3.50	2.80
Col. Kirk	1	...	...	3¾	3	3¾	14850	6¾	2	6	2
Cons. Smelter	25	10	1.00	2.52	249⅛	249½	2785	265	177¼	264	242
C. W. Dome	1	...	...	7½	6	6¼	25900	29½	14	19	7
Crown Res.	1	...	...	11½	10¾	11½	7540	24⅛	8	15¼	7
Corona	1	...	...	17½	14¼	17	86200	37½	20	37	11¾
Copper Hill	.	...	...	55	53	54	28200	...	...	55	49
Comm. Mines	.	...	...	1.10	1.01	1.09	29750	...	...	1.10	.71
Destor	.	...	...	...	...	...	....	41	40	43	40
Davidson	1	...	...	...	...	...	....	3	1½	3	1
Dome Mines	None	$1	12.34	8.30	8.01	8.10	1924	20.00	8.00	10.85	7.50
Don Rouyn	1	...	...	32	30	31	52600	61	25	56½	17½
Duprey	.	...	...	...	...	...	....	...	...	10	10
Duprat	1	...	...	12	8½	11¼	268850	35½	8½	34½	7½
Dubec	.	...	...	75	71	75	54520	...	...	73¼	36
Dom. Lead	.	...	...	1.25	1.10	1.20	13200	...	...	1.25	1.05
Fiske	.	...	...	10	8	8	1700	16	12	30½	8
Fisher, Que.	.	...	...	...	...	...	....	...	...	85	74
Everett	1	...	...	3	2½	2½	2500	12¼	3¾	5½	2¼
Goldale	1	...	...	27	25	27	22600	43	24	30	20
Gold Hill	1	...	...	34	32	33	27600	73½	25	54	31
Gold Reef	-	...	...	...	...	...	....	5	1	2½	1
Gifford	1	...	...	...	...	...	....	...	...	1¾	1
Gladstone	.	...	...	...	...	...	....	...	...	29	26½
Grover Daley	.	...	...	12¼	10¼	12⅛	54400	32	18	37	9½
Harvie Exp.	.	...	...	14⅝	12¾	14¼	4951	...	...	16	12
Hillcrest	100	6	10.00	63	63	63	10	65	55	65	60
Do., Pref.	100	7	8.23	85	85	85	55	83	79½	87	84
Haultain	.	...	...	...	...	...	....	...	...	15	14
Hill Top	1	...	...	11	11	11	1500	31¾	20	24	12¼
Hollinger	5	26	6.43	20.45	20.10	20.20	7342	21.00	16.65	22.65	20.00
Howey Gold	1	...	...	66	60	65	10700	...	...	75	42
Indian	1	...	...	7	7	7	3500	14½	2¾	11	4
Int. Nickel, c.	25	$2	3.07	66¾	58	66	104759	46	32½	66¾	38
Jay Copper	.	...	...	...	...	...	....	1.10	.73	1.26	1.04
Keeley	1	24	18.75	1.29	1.28	1.28	5225	1.90	1.39	1.66	1.28
Keora Mines	1	...	...	4½	3¾	4¼	9500	22	11	13½	3¾
Kirk. Hunt	1	...	...	25¾	21½	22	117060	34	8½	35	14
Kirk. Lake	1	...	...	1.39	1.31	1.36	66354	1.44	.69	1.54	.82
D. Kirk	.	...	...	1½	1½	1½	7500	...	...	1½	1½
Lake Shore	1	40	2.00	20.75	20.00	20.00	6330	16.15	9.50	21.10	15.40
Lakeside L.	1	...	...	1¾	1¼	1½	21000	10	1⅛	6	1¼
Laval	1	...	...	26	24	24	53135	45¾	21	55	20
La Rose	1	...	...	9	9	9	200	39	4	12	7
Lorrain	1	...	...	1½	1½	1½	1000	15	2	3¼	1½
Lorrain T. L.	1	...	...	70	65	70	12400	1.10	.30	.78	.25
Lucky Jim	.	...	...	...	...	...	....	...	...	21	20
McDougall	.	...	...	36	32½	35	14100	...	...	40	17
Marclay	1	...	...	39½	39	39½	3000	35	30	42	34½
Macassa	1	...	...	36	24	25	65550	43	25	37	22
McKinley	1	...	...	16¼	16	16	13550	26	8½	17½	11
McIntyre	5	20	4.01	25.90	24.90	24.90	9,106	29.75	22.70	27.50	24.00
Millcrest	1	...	...	5	5	5	1000	21½	3½	6½	4
Mining Corp.	5	12½	...	3.41	3.08	3.10	10175	4.45	2.60	3.65	2.90
Moneta	1	...	...	...	...	...	....	18	11	14	8¾
Mtl. Rouyn	1	...	...	14⅞	12	12	13250	60	13	33	10
Noranda	None	...	...	23.20	22.55	22.75	39446	24.75	12.00	25.00	19.95
Newray	1	...	...	...	...	...	....	45	31	34	28
Night Hawk	1	...	...	9	8½	8½	29800	17	3¾	10½	4½
Nipissing	5	12	10.00	6.65	6.20	6.30	17675	9.25	4.95	10.30	5.90
N. Amer. Lead	.	...	...	2.38	2.27	...	28600	1.75	1.50	2.38	1.71
Ontario	.	...	...	1.18	1.15	1.16	5300	...	...	1.16	1.03
Ophir	1	...	...	...	...	...	....	4¼	½	4⅝	1¾
Osisko	.	...	...	60	51	50	4500	1.94	1.05	1.75	.40
P. L. Cobalt	1	...	...	6¼	6	6¼	5500	32	14½	18	6
Porc. Crown	1	...	...	10	6	6½	156450	12	4	11	6
Pioneer	1	...	...	91	87	90	19700	1.22	.66	1.18	.85
Premier Gold	1	32	15.60	2.09	2.05	2.05	13915	2.75	1.83	2.30	1.86
Preston	1	...	...	4	4	4	1000	9⅞	4	6	3
Potter Doal	.	...	...	30	25	25½	137250	...	...	65	24½
Power & Mines	.	...	...	1.65	1.50	1.65	10200	...	...	1.65	1.00
Que. Pros.	.	...	...	...	...	...	....	...	...	6.00	3.95
Ribago	.	...	...	15	14¼	15	7000	...	...	87	14¼
Rouyn	1	...	...	1½	1½	1½	10000	9	1⅞	5	1½
Rouyn, Que.	1	...	...	...	...	...	....	4½	1¼	4⅝	1½
Siscoe	.	...	...	15	15	15	1000	...	...	20	12
Rouyn C.	.	...	...	3.50	2.50	3.50	5810	...	...	3.30	2.50
South Keora	1	...	...	...	...	...	....	35½	5	64½	10
Stadacona	1	...	...	18	16	17	105400	51	40	55	13
St. Anthony	.	...	...	33	32½	32½	6300	...	...	37	10
Sylvanite	1	...	...	3.82	3.50	3.50	3800	...	...	4.30	2.60
Teck Hughes	1	10	1.29	7.85	7.60	7.72	40423	5.55	2.64	8.10	5.35
Temiskaming	1	...	...	...	...	...	....	15¼	6	7	5
Thompson Krist	1	...	...	....	...	...	....	3½	1	1	½
Tough Oakes	1	...	...	47	38	46	41200	66	36	62½	38
Towagmac	.	...	...	4.45	4.00	4.10	17665	6.10	3.15	5.75	2.85
United Cap	.	...	...	4.30	4.09	4.30	11750	...	...	4.30	3.10
Vac. Gas	.	...	...	15	13½	15	16600	...	...	26	3
Vic. Silver	1	...	...	5½	5	5½	21100	96	3⅛	14	4½
Vickers	1	...	...	45	42	45	2900	1.22	.13	1.52	.35
Vipond	1	...	...	1.14	1.04	1.06	34262	2.02	1.49	1.75	1.04
Waite Mont.	.	...	...	...	...	...	....	...	...	8.75	8.50
Wakenda	1	...	...	...	...	...	....	2¾	1	5	2
Wasapika	1	...	....	1	1	1	3000	4	1	2	1
West Tree	1	...	...	3	2¾	3	12500	4	2	4	2
Wettlaufer	1	...	...	3	3	3	10000	10	2	3¾	2
Wigwam	1	...	...	...	...	...	....	32½	4	4	3
Wright Har.	1	37½	...	12.10	11.99	12.00	775	10.00	7.75	12.10	9.35
Do, (new)	.	...	...	6.06	5.95	6.00	27835	...	...	6.65	5.95

HIGH GRADE SILVER FINDS OFFSET LOW PRICE OF PRODUCT

(Continued from page 17)

at the Kerr Lake and Crown Reserve mines, lends hope for the successful development of this ground. The shaft will be sunk probably to 450 feet, and this should be completed and lateral work commenced during September of this year.

Decline in Silver

"There has been a marked decline in the price of silver. While the effect of this upon earnings is considerable, I would like to point out that the discovery of high-grade ore has a much more important bearing on the fortunes of your corporation than a fluctuation of 10c per ounce in the price of silver, as is evidenced by the fact that Cobalt, at the time of its greatest prosperity, operated on high grade ore with silver at a lower price than it is to-day.

"Since the publication of the annual report, construction of a test mill on the Flin Flon has been completed by the optionee. The laboratory tests at Denver and other places, on which was spent a sum in excess of $175,000, proved sufficiently satisfactory to justify the optionee in erecting this mill, and he has spent over $500,000 in the construction of the mill and in the preparation of the mine for the extraction of ore for the test runs.

Encouraging to Date

"Operations commenced early in March and the engineer in charge reports to us that up to the time of the spring breakup the results were very encouraging. When this occurred, the water, a large amount of which is used in the operations, was so seriously contaminated by the large amount of organic matter contained in the spring run-off, that the results were vitiated, and satisfactory operations cannot be continued until the water clears. The engineer in charge stated that it might be possible to complete the tests by the 31st of August, at which date the optionee is required to exercise his option, but he feared that possibly this might not be done, and he was very anxious to have the certainty of being able to run the test mill after the cold weather starts in the fall, so that in case he is unable to get the results with the water available during the summer, he would be able to try for them with the winter water. Consequently, he applied to us for a short extension of the option, and under these circumstances, we jointly with Messrs. Fasken, were glad to grant an extension of the option until December 1st, 1927. Work is continuing as before.

Water Available

"I may say that the engineer in charge reports to me that there is a source of water a considerable distance away from the mine, which is free from all contamination, and is available and can be brought in for a permanent plant, but this water cannot be delivered to the test mill at any reasonable cost nor in time to get the testing done before September 1st of this year. It will be seen, therefore, that in case a permanent plant should be erected, no difficulties of this kind will arise.

"Our other western venture, the Cryderman, has so far been a disappointment. Diamond drilling has been carried out at greater depth, but to date has not exposed any body of commercial ore.

Survey in Quebec

In Montbray Township, in the Rouyn district of Quebec, a geological survey has been made which disclosed geological conditions favorable to the deposition of ore, and a contract has been entered into for electrical prospecting, which will commence shortly. On results of this latter operation will depend future plans for the property.

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Premier
1926 Statistics
The annual report gives the following interesting information:
Value of Gold produced
$2,526,480
Value of Silver produced
$1,979,733
Net Earnings before Depreciation and Depletion
$2,011,665
Amount dividends paid
$1,600,937
Ore reserves
$11,495,073
At current prices, the dividend yield is over 14%. We recommend Premier for income return and appreciation in value
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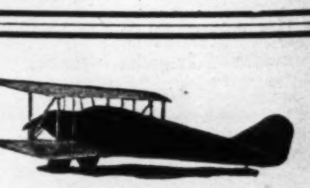
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BARRY HOLLINGER SITUATION NOT VERY FAVORABLE

Gibson's Review Does Not Think Shareholders Got Necessary Information

Homer L. Gibson, in his recent fortnightly Review, contrasts the frankness of the Tough-Oakes-Burnside Co. in presenting the position of the operation to what it terms the lack of frankness on the part of Barry Hollinger in discussing the situation at the mine at Boston Creek.

Barry Hollinger did not see fit to publish an annual statement at all, says the Review. and adds:

"It is true that questions asked by shareholders at the annual meeting were answered more or less freely, yet shareholders who were unable to be present must depend for further information than that contained in the balance sheet on necessarily brief newspaper accounts. Nor were shareholders who attended the meeting in a fair position to make the enquiries which the omission of the operating and income statements rendered necessary. The fiscal year ended over four months ago, yet the simple balance sheet statement, which ordinarily would not take more than a day or so to print, was not available until the shareholders arrived at the meeting, and little time was thus afforded to analyze the situation.

"The fact that the balance sheet issued revealed a very satisfactory position may explain much but we will submit that whether the company's affairs are unsatisfactory or otherwise, shareholders are entitled to a complete statement of the facts.

"The only inkling as to the result of the mine's operations, and this we assume must date back to the commencement, is an item in the balance sheet which shows that altogether $447,196 has been expended in development, operation, administration and organization against which there has been a gold recovery of $125,513 leaving a deficit on operation to the end of last year amounting to $321,682. Whether this deficit was increased or decreased by the year's operations, and to what extent, is of course, not shown in the balance sheet,

"A glance at the liquid position in conjunction with the issued capital stock, immediately discloses the pressing need for the increase in capitalization tentatively submitted for the consideration of the shareholders at the meeting in question. Cash assets are shown as $13,664, which with supplies on hand at the mine, gave the company current assets amounting to $27,861. Against this, current liabilities are shown amounting to $31,972, and in addition there is an outstanding loan of $172,961 which, with accrued interest, brings this item up to $177,941.

"The proposal of the directors submitted to shareholders was to increase the capitalization to 4,000,000 shares by the creation of 1,000,000 additional shares of treasury stock and to liquidate the loan by the issuing of treasury stock. It was also suggested that with 50,000 shares of the new stock the option held on the 160 acres contained in the Patterson claims adjoining Barry be exercised.

"It is obvious from the state of the company's finances as revealed by the balance sheet that, unless operations since the beginning of the year have improved very markedly from the standpoint of net profits, some further financing will be necessitated, probably through the sale of some of the new treasury stock to be created, in order to strengthen the working capital position.

"The expressed optimism of the mine manager as regards developments at the property since his tenure of office commenced some two months ago, and his report of considerable improvement in conditions at the 800-feet level coupled with his expectations of further good results in the work now progressing at the 1,000-feet level, were the bright spots at the annual meeting. This official reported ore of excellent grade having been opened at the 800 and also gave out the cheering news that millheads had recently been raised to $9. The government returns for the first quarter of the present year showed an average grade of $7.57 which could hardly have been profitable for a mill working on as small a tonnage as Barry Hollinger is, and doubtless explains the previous large deficit."

Makamic Mines Assay Show Exceptional Result

MONTREAL.—Development work is proceeding rapidly on Makamic Mines. In a recent report to the shareholders the company summarized the development to date with the statement that nine interesting mineral zones have been located.

At the present stage of operations, the most interesting zone is vein "A", in which is found a band of rhyolite, slightly coppered, and approximately thirty feet wide, in the centre of which runs a parallel veinule of chalcopyrite, almost pure, being three to nine inches in width, with a maximum width of about 24 inches.

The prospect shaft, which is now down thirty feet, shows that the vein is widening and that the copper content is becoming richer.

Recent assays, taken at a depth of twenty feet, show a content of 24.01 per cent. in copper which equals $62.43 per ton. There is also a silver content of 3.80 ounces per ton, averaging $2.09 per ton.

Recently the company appointed L. Buisier, a graduate of the Montreal Polytechnical School, as resident engineer.

Some Facts About Canadian Mining

(From Stock Exchange Gazette, London, Eng.)

Canada Produces:
85% of the world's nickel,
90% of the world's cobalt,
80% of the world's asbestos,
12% of the world's silver,
10% of the world's gold, and
4% of the world's copper.

Among the countries of the world Canada stands:
1st in the production of nickel,
1st in the production of asbestos,
2nd in its coal resources,
3rd in the production of gold,
3rd in the production of silver,
3rd in the production of aluminium,
5th in its production of zinc,
6th in its production of lead,
6th in its production of pig iron,
8th in its production of copper,
10th in its production of coal, and very high in its production of corundum.

MODERN PROSPECTING IS NOW VERY MUCH DIFFERENT FROM OLD

(Continued from page 17)

such cases as in the Sudbury region, the pyrrhotite is mixed with copper pyrites. The copper gold ore of North-western Quebec and North-eastern Ontario has often enough pyrrhotite in it to make the whole mass magnetic. The dip-needle, or the more delicate instrument, the magnetometer, may thus be used to search for ore bodies of this kind. This is a great advantage in a country where outcrops are so few as in the regions mentioned.

Electrical Prospecting

Two electrical methods are being used in the search for ore bodies. One, the Schlumberger method, depends on the fact that currents of electricity are being generated wherever minerals, particularly of the pyrite species (sulphides), are undergoing changes under the influence of oxygen and water. These changes may be called weathering. The Schlumberger instrument picks up these currents and measures them. It is possible to get indications of the extent of the mineral deposit.

The Lundberg method depends on the greater conductivity of metallic ores as compared with rocks. Electrical currents from the instrument are passed into the ground and the presence of metallic ores is indicated by the smaller resistance to the passage of the current.

Subject to Limitations

Both these electrical methods are subject to limitations. Both respond for example to a deposit of iron pyrites that may be of no value, and positive indications may be due to scattered minerals not valuable as ore. But in spite of these limitations, these electrical methods are useful in working over ground where the overburden is too deep for easy trenching, and particularly for selecting ground for trenching and diamond drilling. To require the discovery of a valuable ore body for every positive indication of electrical surveys is just as unreasonable as to expect every quartz vein to make a gold mine, or every rusty surface to conceal an ore body.

Another interesting scientific instrument used in prospecting is the Eotvos torsion balance. It measures the attraction of gravitation in a way. This attraction is greater in places where there are large bodies of heavy minerals, such as most of the ores of the metals. The instrument is said to be useful in the search for hidden bodies of iron ore.

While these scientific instruments may be useful applied where large scale prospecting is desirable and the geological conditions are known to be favorable under a heavy over burden, the pioneer work must be done by the simpler methods used by the individual prospector. The pick and shovel are the best instruments, where the overburden is not too deep.

Jay Copper Gold Mines Cuts Ore Underground

From Our Own Correspondent.

MONTREAL—It is reported that the Jay Copper Gold Mines has cut a new ore body on the 200-foot level. The strike which has been made is located south of the No. 1 vein and is apparently a new ore body, lying between No. 1 vein and the other veins to the south of the property.

The discovery of this body indicates that lying between the vein systems already defined on the surface, there is a further possible series of lenses, all of which would add to the width of the ore body and naturally increase the ore reserves.

The present plans of the company call for further shaft-sinking to a depth of 450 feet at which level an extensive programme of work will be carried out. The shaft-sinking is well underway and with the installation of the hoists, the work will be further facilitated.

TWO HIGH GRADE SILVER FINDS ON LORRAIN T. LAKE

New Shaft Operations Carried to Contact Meet With Good Results

Lorrain Trout Lake's recent successes in finding high grade at the contact in No. 2 shaft, was reviewed by Pres. J. P. Watson, of Mining Corporation and Lorrain Trout Lake, at both annual meetings. Mining Corporation owns one-third interest in this venture. Two shoots of high grade have been found quite recently. the president told shareholders. His remarks follow:—

"At No. 1 shaft, only one short shoot of mill ore was discovered during the year. A small tonnage of high-grade ore was produced, and 7,110 tons of mill ore were stoped. Work in this section was temporarily discontinued in October last. There is still a small tonnage of mill ore available for extraction through this shaft.

"Keeley Silver Mines, to the north, drifted to our boundary on their 8th and 10th levels. They were kind enough, at our request, to continue these drifts under contract into our property for a considerable distance, but unfortunately no commercial ore was exposed.

Contact Deeper

"At No. 2 shaft, located on the southerly claim, a winze was completed from the 350-foot to the 625-foot level, and exploration was carried out at the 500 and 625-foot levels. Strong calcite and cobalt veins were exposed in drifting, but only two short shoots of commercial ore were developed.

"Further diamond drilling from No. 2 shaft proved that the contact was deeper than previous drilling and surface exposures had indicated, and it was decided that exploration at a lower horizon would probably lead to better results. Sinking of the winze was therefore continued, and the 750-foot level reached early in the present month, a crosscut driven to No. 2 vein, and drifting on the vein commenced. I am glad to be able to advise you that the hope expressed in the annual report has been realized. After 20 feet of drifting, high grade ore was exposed last week, which continued for 27 feet. This ore showed an average width of 8 inches, with an average grade of about 3,000 ounces. A winze has been commenced in the middle of the shoot which is now down 9 feet. At the bottom the vein is neither as rich nor as wide.

New Discoveries

"We have just received news that 65 feet north of this new shoot on the 750 ft. level we have exposed another shoot of high grade six inches wide.

"Aside from appreciating the importance of these high-grade shoots, I would like to draw your attention to these facts bearing upon our admirable technical organization; before starting operating our property, a very careful survey of the geological conditions was made; shaft No. 1 was sunk where nothing showed on the surface; from this shaft upwards of 800,000 ounces of silver were taken, when we discovered that the lower workings did not bear out the promise of the upper levels; while this work was going on the balance of the property was being carefully examined, when it was decided to sink No. 2 shaft at a point three-quarters of a mile from No. 1 and where again nothing showed on the surface. Our manager recommended a deep shaft; this we did, and we now have the high grade at the point where it was expected to find it. I think our organization deserves the heartiest congratulations."

Copper Hill to do Additional Drilling

MONTREAL.—Diamond-drilling on Copper Hill property, Dufresnoy township, has been so satisfactory that an additional contract has been made in order to extend the exploration area. Three holes have already been drilled, and all have given good ore, the last one showing 40 feet of well mineralized ore, 28 feet of it being massive chalcopyrite and bornite. The strike of the main ore body is believed to be north-west and south-east, and the drilling has been along this line, but the limits have not yet been determined as the drills have not yet passed out of the ore zone.

Two grab samples taken from a test pit, close to one of the holes of the present drilling, gave assay results as follows: No. 1 silver $1.23, zinc 2.64 per cent., copper 15 per cent.; No. 2 silver $1.24 per ton, zinc 2.34 per cent., copper 12.43 per cent. No drilling has been done directly below this test pit, but the nearest drill-hole gives similar showing, sufficient to warrant the belief that these values continue to depth.

It is understood that in addition to the further drilling, just contracted for, a shaft will be sunk and under-ground work undertaken in the near future.

Towagmac Operation Will Soon Rank Second In Quebec to Noranda

Evidently the discovery of new ore on Towagmac, though only publicly announced almost simultaneously with that of the consolidation with Noranda, played a part in closing up the transaction. No one seems as yet has been able to size up the outlook for Towagmac and Waite under the new order of things.

The new results were encountered in drilling No. 4 ore body at 250 feet and is believed to be the upward extension of a body cut at 600 feet. In addition to this No. 3 body has been cut at 400 feet, showing a width of over 40 ft. The recent development of the property lines it up as about third in the camp and the possibility that it will soon replace Waite and take second place to Noranda.

Vipond Handles Larger Tonnage; Values Lower

During April, 9,009 tons passed through the mill of Vipond Consolidated Mines, giving a production of $59,800. During the two preceding months, March and February, the amount treated was respectively 7,781 tons and 7,349 tons, and the production $63,200 and $60,100. The physical condition of the mine as regards what may be described as developed reserves is good, says an official statement by R. S. Denning, secretary, the production is being maintained and an improvement has been made in the extraction.

LADYSMITH SMELTER WILL WAIT FOR ORE

Not Intended to Operate at Present—Will Ship Concentrates to England

From Our Own Correspondent.

VANCOUVER—Ladysmith Smelter will not actually smelt ore for the present, and if any fire treatment is used it will be in the matting of some ores and concentrates to reduce bulk in shipping to English smelters, R. G. Mellin told Portland Canal News.

British Metals Corpn. through Messrs. Thomson and Carmichael, optioned old copper smelter from Mr. Mellin, now representing British Metals in Portland Canal, looking for promising properties and tonnage. Present plans are to refit the receiving, weighing and devices at Ladysmith. Ores and concentrates will be assembled there for shipment to England. Under that plan mine operators would be able to sell their products on a 10-day settlement basis at a considerable reduction in freight charges.

There is no intention at present to erect a mill or to refit the smelter until the mining company, now being formed as a subsidiary to the smelting company, has turned up sufficient ore to justify such an undertaking.

"As a start toward the mining side of the enterprise the smelting company owns Tyee mine on Vancouver Island," said Mr. Mellin, "and they have taken over from me the adjoining Lenora mine. In these two mines there is a very considerable reserve of complex copper-zinc ore which could not be treated in the past, but which is now susceptible to modern metallurgical practices."

Duprat Will do Work On Montbray Holdings

Further developments on Duprat Mines are reported meeting with good success on the group adjoining Waite-Montgomery. A crew of men has been sent into the Montbray holdings and in view of the general geology and location of this holding, big results are looked for. Duprat's finances are said to be in excellent shape.

Dome Halts Drilling in Chelmsford Section

Dome Mines has been diamond drilling in Chelmsford lead-zinc area. Operations are suspended for the moment. What results have been achieved or the reasons for the suspension are not known. National Lead, New York, has just placed a drilling contract for a property, west of the Errington.

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TREAT OLD ORE DUMPS OF SLOCAN TO RECOVER ZINC

Camp Had Record Output of $50,000,000 With Zinc in Ore a Liability

Slocan country in Kootenay country, British Columbia, which is again attracting considerable attention, has been operated intermittently for 35 years and has produced nearly 40,000,000 ounces of silver, 300,000,000 lbs of lead, and 122,000,000 ounces of zinc. The total value of its products to date is around $50,000,000. Properties which have shipped ore in that time total around 140, some have been abandoned, though it is doubtful, with modern scientific mining knowledge and methods, if any of them are really worked out. At the peak of its production in 1918, the area included 36 producing mines, of which 19 shipped over 100 tons. The production for that year alone had a valuation of about $3,500,000. In 1924 there were 26 properties shipping from this area, and the aggregate value of their production was about $1,400,000. Last year saw a substantial increase on the year before, witnessed the opening up of a number of the older properties, and gave evidence of an increasing interest in the district, supported by a readier influx of capital, chiefly British, but including also some American. Isolated properties are being grouped together under capable management, and important developments are in progress or under consideration. So, taken by and large, prospects are a little brighter now than they have been for years.

Aside from the question of ore reserves and sudden increases in production of certain properties due to finding new ore shoots or taking out newly developed ground, the production and prosperity of the Slocan has been markedly influenced by two important factors, namely, the market price of its metals and improvements in the milling and metallurgical treatment of its ores. The fact that, after 20 years of production, the Slocan district could, in 1912 and for seven years thereafter, suddenly increase its output from a previous yearly average of 45,000 tons to over 180,000 tons, is, says C. E. Cairnes, of the Geological Survey, good evidence of the ability of the district to respond to the great demand for, and increased market price of, its metals during these years.

Ores are Complex

Regarding improvements in milling and metallurgical practice, it must be remembered that the ores of the Slocan are complex, most of its silver-lead deposits containing more or less zinc ore, which, until 10 or 15 years ago, was in the case of most of the properties at least, regarded not only as of no value but as a positive detriment, because smelteries exacted a severe penalty in proportion to the amount of zinc present. Hand-sorted lead ores commonly contained an objectionable proportion of zinc, and methods of water concentration then in vogue eliminated it only at the expense of a serious loss of lead and of any high-grade silver minerals which might be present. As a consequence, many a property was forced to close down as developments encountered an increasing proportion of zinc ore for which, as such, there was no market in the early years.

The advance in milling practice in the last decade or more, including the wide use of flotation and preferential flotation, which enables the operator to separate zinc from lead ore with comparatively small loss; the high market price of spelter, combined with improvements in the metallurgical treatment of zinc ores; and the convenience of the Trail smeltery, have each and all had a marked effect on the development, production, and status of the Slocan.

Zinc Now Valuable

The rise of the zinc industry affords an interesting chapter in the history of Slocan district. There the industry was practically contemporaneous with its origin in Colorado, from both of which localities the first shipments of zinc ore were made in 1899. Early shipments from the Slocan were chiefly from the Lucky Jim mine, but by the close of 1905 shipments of about 14,000 tons had been made from 15 properties, of which the Slocan Star, Lucky Jim, Bosun, and Payne were the largest shippers. The Kansas smelteries, to which most of the Canadian zinc ore was sent in these early years of the industry, demanded a high-grade zinc product and paid little or nothing for included lead or silver content, as the treatment of zinc ore, at that time, for silver and lead resulted either in severe losses of these metals or in a correspondingly high cost of treatment. Only for certain properties, such as the Lucky Jim, where high-grade zinc ore could be readily hand sorted, did the shipments offer any reasonable returns. Where the ore required milling, the methods of water concentration then in use could not eliminate an objectionable high proportion of the commonly associated spathic iron gangue, or of iron pyrites, thereby reducing the grade of the zinc concentrates below the profitable point.

Between 1905 and 1916, and largely as a result of improvements in milling methods, some 20,000 tons of metallic zinc were contained in shipments of zinc ores from the district, a large proportion of these shipments being in the form of concentrates.

It is in the last decade, however, when the price of spelter has been consistently high and properties in the Slocan have been able to take advantage of the big electrolytic-zinc plant of the Consolidated Mining & Smelting Company at Trail, that the zinc industry has reached an importance closely bordering on the returns from lead production. In this period shipments from the Slocan mining area have contained over 40,000 tons of metallic zinc.

This increasing importance of the zinc industry has affected mining operations in the district, as properties are now valued for their zinc as well as silver and lead, and those which formerly were regarded as worthless because of a comparatively high zinc content are today being reconsidered. Old dumps containing the discarded zinc ore are being retreated for its extraction, and in one case a mill, with a capacity of 100 tons a day, has recently been installed in the valley of Kaslo creek to handle the large tonnage of zinc ore discarded from the Whitewater mine in its earlier years of operation.

The Slocan is now rated as an important producer of zinc as well as silver and lead ores. The relative importance of these three metals to date must not, however, be lost sight of. Nearly all the zinc ore shipped from the district has been produced by some 30 properties located within Slocan mining area. These include most of the larger shippers from the area and their aggregate production, on a basis of valuation, has so far included a much more important content of silver, and a considerably greater content of lead, than of zinc. Even if, in estimating the relative value of these three metals, we include only that production of silver and lead obtaining in years when zinc ore also was shipped, we find that the value of silver production for those years was much greater than, and that of lead somewhat in excess of, that of zinc. The Slocan, then, may still and probably always will be entitled to the epithet 'silvery', although the value of zinc production in the future may exceed that of the lead.

B.C. Mining Stocks

Special wire to The Financial Post.

	Open	High	Close
Coast Copper	....	1150	10.75-11 50
Richmond	22	20	24-25
Dunwell	1.30	1.25	1.24-5
Premier	2.10	2.05	2.07

Mining Inquiries

International Pete

Could you give me a line on International Petroleum and Royal Dutch Shell California?

International Petroleum is a subsidiary of Imperial Oil controlling production in Central and Southern America. It is a strong organization, and there are reports that Imperial Oil is gradually absorbing the outstanding stock.

Royal Dutch of California is a purely U. S. operation and we find it difficult to handle queries on American companies.

Kirkland Lake

I hold a few shares of Kirkland Lake and am thinking of selling and buying an industrial stock. Do you think this would be a good move or would you advise holding a few months in hope of a rise? Might it be better to sell Kirkland Gold and buy Beaver?

It is difficult to advise you in regard Kirkland Lake Gold. The recent statement proved fairly satisfactory, though, the chances of dividends for common shareholders seems considerably removed. There is $1,000,000 preferred, redeemable at $1.10, or if not redeemed, commanding a 10 per cent. dividend ahead of the common, outstanding.

Beaver's only tangible asset is a holding in Kirkland Gold, so you would really weaken your position by such a change.

Castle-Trethewey

Would like your opinion about Castle Trethewey. I bought at $1.05 and plan to hold for a year or so.

Castle Mine is in an excellent position, with further expansion plans under way and it would undoubtedly be earning very large profits if it were not for the weak position of the silver market. This is the fly in the ointment, and it is really the gamble you take in holding Castle. There is an optimistic feeling abroad that silver will come back, how soon nobody knows, but when it does I should think there would be a very marked appreciation in the shares of Castle Stock. However, it is not always wise to put all your eggs in one basket. I think, perhaps, you should have some of the dividend payers. Say McIntyre and Teck Hughes and perhaps Hollinger. They will all make you money.

Argonaut

Has Argonaut Cons. Gold Mine a chance to be a mine of some size; that is, to buy and put away. I am told they found some good ore. If so, do you think it will be the start to go ahead?

Argonaut Mine is looking attractive. The company recently encountered some good ore in diamond drilling. The shaft is being sunk to open two new levels and it is expected that the downward extensions of ore bodies on 1,000-ft. level will be picked up. Earnings so far have not proven up to expectations but when Noranda Smelter is ready to take ore this should be overcome. Argonaut held 1,400,000 shares of Laval. These more than offset the company's bond issue. It is understood that some of the stock was marketed during the recent bull market, but the company still holds a substantial block and if Laval shows up, as many expect, this might work out well.

Fiske Gold

Just read your report on Fiske as supplied by the board. Well, it shows that it is easy for the directors to put charming pictures in The Post and other papers, instead of rugged facts from practical miners on the spot being told. Our respect for the press is not improved. In another report you state facts very different from what has been told to ourselves by men right on the spot. Who is lying? Are you toadying?

As a newspaper publishing news for investors we are obliged to run the annual reports of the directors of the different companies operating in Canada. While we can comment upon these reports we cannot rearrange them to suit our purpose. As regards Fiske we have always contended that the financial structure of this company could be improved upon. This has been pointed out in our paper from time to time.

When referring to the properties of the certain gold mines our information is secured first-hand or from engineers whom we believe to be reliable. We do not necessarily take the opinion of the engineer of the company unless we believe that it is accurate. Are we not entitled to accept such opinions on their face value as you have evidently done from "men right on the spot."

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The Foothills Oil and Gas Company, Limited, is controlled by Imperial Oil Limited. The Company has issued a proportion of its capital stock to owners of petroleum leases in the Turner Valley in exchange for such leases. The one hundred thousand shares of the Foothills Oil and Gas Company, Limited, now being offered, have been acquired from a vendor of such leases, and neither Imperial Oil Limited, as a Company, nor its officers, personally, are interested in this transaction.

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TORONTO 2

West Indies Treaty Now in Force; Help Islands Much and Canada Some

Tariff Duty of 50 Cents a Stem on Bananas Exempted From Operation For Time Being But Will Be Applied When Boats Run in 1928

From Our Own Correspondent.

OTTAWA.—Unheralded save by memoranda of the customs department, the Canada-West Indies trade treaty, 1925, has come into force. The treaty was approved by parliament in 1926 and proclaimed May 1, 1927.

In making the treaty operative, the government has excepted one item. The tariff duty of 50 cents per stem on bananas, when imported otherwise than by ship direct from a British country—the West Indies only can escape this duty—is withheld indefinitely. The government does not want to throw this additional burden upon the consumers and therefore will not make this item of the treaty effective until the special ships now being built for the Canadian National Railways, are in the West Indies service. These ships can scarcely be delivered until 1928, and when in commission the tariff on bananas will be applied with the hope that the West Indies will capture the Canadian market and prevent the duty becoming a tax.

Coincident with the proclamation of the treaty in Canada, most of the West Indian governments have amended their tariffs to accord with the treaty. The treaty is now in full effect in Bermuda, Jamaica, British Guiana, Trinidad and Tobago. The other islands will follow in the near future.

Because the British West Indies are a group of wide flung islands, each trading under its own name, Canadian business men fail to appreciate how important they are both as customers and as sources of supply for raw materials. Taking them as a unit, they rank among Canada's five best customers and supply the Dominion with many tropical products which cannot be produced in the northern latitudes.

The Indies, for 150 years have been on friendly terms with the Maritime provinces. As far back as 1880, our total trade with them exceeded $3,300,000 with the balance in Canada's favor. Following these brave beginnings, trade languished. Twenty years later the total trade was $2,500,000 with the balance still favorable to the Dominion.

In 1903, the West Indian trade was greatly stimulated. Hon. W. S. Fielding, then minister of finance, placed a surtax of 33 1-3 per cent. on dutiable goods from Germany, whence Canada imported large quantities of sugar. The result was to throw the trade to the Indies. From that year forward trade increased rapidly, with the balance favorable to the Indies.

By 1920, trade had assumed very large dimensions. The total was $35,000,000, with imports exceeding exports by $4,500,000. In 1921, the Meighen government negotiated the first trade treaty with the Islands, securing a preference of 1 shilling per barrel on flour and a tariff preference on spirits in return for a Canadian preference on West Indian sugar and several unimportant items. That year, 1921, marked the highest point in Canadian-West Indian trade—$42,000,000. The drop in prices greatly reduced the money value of the trade in subsequent years, although it climbed back steadily until 1925 when the total was $37,000,000. In 1926, the last year for which trade figures are available, the total was $32,000,000. The reduction was the result of the fall in sugar prices. Notwithstanding this reduction, however, the Indies still rank as fifth among Canada's customers.

There has been little change in the trade of the Indies. The United Kingdom is their best customer, with the United States second and Canada third.

Trade between Canada and the West Indies is impeded by few obstacles. Production, tropical in the one and the opposite in the other, does not conflict. Canada has never bought an article from the Indies that could be produced at home. On the contrary, in respect of sugar, we buy the raw material and ship it back refined.

Trade between the two may be summed up briefly. Canada buys sugar and sells flour and fish. Trade reports show a small interchange in half a hundred other products, but in 1926 sugar accounted for 75 per cent. of imports and the other two for 70 per cent. of exports. The new treaty is designed to broaden markets in both countries, and to develop new ones. The entire banana trade of Canada, $4,250,000 in 1926, is to be given to the Indies, although, hitherto, they have not directly, possessed one per cent. of it. As a matter of fact, Canadians have always consumed large quantities of West Indian bananas, but they have come through the United States and have yielded profit to the United States commission merchants. Whether the channels of trade will be altered when the new ships are in commission and the tariff of 50 cents per stem of bananas is invoked, is a controversial question. Experts in the banana trade, claim bananas cannot be carried profitably from the Maritimes through the central provinces to the prairies and British Columbia. If not, the consumers will pay the shot and imports will continue in the old way.

The treaty is to continue 12 years and to be terminable on one year's notice by any of the parties to it. The provisions, as now in effect, are:

Canada concedes to the West Indies:

Sugar, preference per 100 lbs. of from 4 cents to $1.12.

Cocoa beans, per 100 lbs., a preference of $1.50 under the Intermediate and $2 under the general tariff.

Lime juice, raw, per gal., a preference of 15 cents.

Limes, fresh, ad. val., a preference of 15 per cent.

Arrowroot, per lb., a preference of 1½ cents.

Cocoanuts, per 100 lbs., where directly imported, a preference of 75 cents.

Cocoanuts, per 100 lbs., where not directly imported, a preference of 50 cents.

Grape fruit, per 100 lbs., where directly imported, a preference of $1.

Grape fruit, per 100 lbs., where not directly imported, a preference of 50 cents.

Rum, per gal., a preference of $2.

Rum, per gal., for denaturing, a preference of 60 cents per gal.

Onions, ad. val., a preference of 30 per cent.

Coffee, green, per lb., a preference of 3 cents.

Cocoa butter, per lb., a preference of 2 cents.

Ginger and spices, unground, ad. val., a preference of 12½ per cent.

Nutmegs, whole or unground, ad. val., a preference of 20 per cent.

Pineapples, canned, per lb., a preference of ½ cent.

Angostura bitters, per gal., a preference of $5.

Sponges, ad. val., a preference of 17½ per cent.

All preferences are under the general tariff rates.

There are two rich prizes offered the West Indians by the treaty: bananas, and sugar. When they receive the advantage of 50 cents per stem a $4,000,000 market will be opened to them. Also the increased sugar preferences may mean an enormous gain in their trade. Canada imports annually about $36,000,000 of sugar in various stages of manufacture and of this $11,000,000 comes from the Indies. The rest is bought from Cuba, San Domingo and the United States. These are the plums for the Indies.

There are no tariff changes whatever involved in the treaty provisions respecting limes, lime juice, cocoanuts, rum, onions, grape fruit and pineapples. The treaty preference in these cases is exactly the same as the British preference. It is impossible to say what is involved in the treaty item on cocoa beans since the tariff provides ad valorem duties and the treaty stipulates specific duties. Likewise it is impossible to gauge the effect of the changes in sugar duties, these being based upon chemical tests.

There are several worth while advantages given to the Indies, as follows:

Cocoa beans, additional tariff advantage of 50 cents per 100 lbs.

Green coffee, additional advantage of 1½ cents per lb.

Nutmegs, additional advantage of 10 per cent. ad valorem.

Ginger, additional advantage of 6¼ per cent.

Arrowroot, an advantage of ½ cent per lb.

Sponges, an advantage of 8¾ per cent. ad valorem.

Angostura bitters, an advantage of $5 per gal.

The gains which the Indies might make in these lines are considerable.

	Total Imports by Canada	From British West Indies
Cocoa beans	$ 984,075	$255,149
Green coffee	37,416	4
Nutmegs	88,954	58,058
Ginger	96,967	42,488
Arrowroot	27,226	21,524
Sponges	56,793	13,544
Angostura bitters	160,000	1,134
	$1,451,431	$391,901

The West Indies concede to Canada:

Jamaica, The Bahamas, and British Honduras:

Flour, a preference of 2 shillings per barrel of 196 lbs.

Butter, cheese, lard, condensed milk, meats, fish (preserved, canned, smoked, salted, pickled, etc.), apples and potatoes, a preference of not less than 50 per cent. ad valorem.

Barbadoes, Trinidad and Tobago and British Guiana:

Flour, 2 shillings per barrel.

Apples, 50 cents per barrel.

Beef, salted and pickled, per barrel of 200 lbs., 1.50 preference.

Boards, and lumber, a preference of 66 2/3 per cent. ad valorem.

Boots and shoes, a preference of 66 2/3 per cent. ad valorem.

Butter, per 100 lbs., a preference of $1.50.

Cement, per cask of 100 lbs., a preference of 2 shillings.

Cheese, per 100 lbs., a preference of $1.50.

Cocoa, per lb., a preference of 4 cents.

Confectionery, a preference of 66 2/3 per cent. ad valorem, or 4 cents per lb.

Cordage, per 100 lbs., a preference of 66 2/3 per cent. ad valorem, or 6 shillings per 100 lbs.

Fish, canned, preserved, etc., a preference of 66 2/3 per cent. ad valorem, or 2 shillings per 100 lbs.

Lard, per 100 lbs., a preference of $1.50.

Milk, condensed, per case of 48 lbs., a preference of 1 shilling.

Pork, salted or pickled, per 200 lb. barrel, a preference of $1.50.

Gasoline, per gal., a preference of 4 cents per gal., when refined from crude oil produced in British territory.

Leeward and Windward Islands:

They undertake to grant similar preferences to those of Barbadoes, Trinidad, etc.

All colonies, except the Bahamas and Bermuda, grant a preference of 2 shillings 6 pence per gallon on spirits, and a preference of 20 per cent. ad valorem on wine, beer and ale.

Checking over these items with trade returns, shows clearly that many of the treaty concessions are merely friendly gestures without real value. Canada already holds 70 per cent. of the West Indian flour market, and the other 30 per cent. are qualities not produced in the Dominion. The increased preference, it formerly was only 1 shilling per barrel, will strengthen the grip which Canadian millers now have upon the market. Apples are not in demand in the Indies, and a preference on boots and shoes in Islands where four-fifths of the population go barefoot is not to be regarded with enthusiasm. However, there is a market for twice the exports of fish, boards and planks, condensed milk, butter, cheese, lard and substitutes. In all these the advantages may be valuable. Canada, as a matter of fact, might increase exports upwards of $8,000,000 annually in these lines alone. The greatest essential, however, is not preferences but a fast, modern steamship service. When this is afforded in 1928 a rapid increase in trade will follow inevitably, although it is unfortunate that it was considered necessary to enlarge governmental ownership activities to provide the service.

Trade statistics of the West Indies show that an advance of $8,000,000 is easily possible. Here are five items:

	Canadian Exports to B. W. I.	Total Imports of B. W. I.
Fish	$1,633,241	$ 3,387,253
Butter	487,002	1,655,291
Boards, etc.	405,704	2,750,697
Lards and substitutes	255,003	806,626
Meats, preserved	253,313	2,949,992
	$3,234,263	$11,549,859

INVESTMENTS MADE NOW WILL ADVANCE AS CANADA GROWS

Mining Securities Are Gaining Favor Among Shrewd Buyers

By COL. J. G. WEIR,
Of McLeod, Young, Weir & Co., Toronto.

The wise private investor enlists the aid of a professional investor in his investment problems, just as the wise man secures the services of a lawyer in legal matters or of a doctor in matters affecting his health. The investment banker is in reality a professional investor devoting his entire time to the selection of investments not only for himself, but for a great many clients as well. Devoting all of his time to the task, he soon gets to be thoroughly experienced and soon becomes conversant with a great many forms of investment in a much shorter time than the amateur investor. Furthermore, having a highly-trained staff of experts in various investment departments at his command, he is able to make a thorough and exhaustive study of every new situation that arises, something the average private investor cannot do.

What is Satisfactory Investment?

The first thing to determine in an inquiry of this kind is what constitutes a satisfactory investment. The ideal investment combines mainly (1) security of principal; (2) satisfactory earnings; (3) a satisfactory interest return; (4) marketability; and (5) some possibilities of appreciation in price.

It depends very largely upon the individual concerned as to which of these points will be uppermost in his mind when selecting an investment. For example, a satisfactory interest return to one man might be far from a satisfactory return to his neighbor. One might be satisfied with a 4½ per cent. return, while the other would not take less than 6½ per cent.

Similarly, certain investors pay very little attention to marketability. Life insurance companies for example, are more concerned with security than with marketability, whereas banks in addition to security generally require investments with a very broad and dependable immediate market. Banks may be required to meet emergencies that demand immediate conversion of securities into cash. Marketability is therefore, a prime consideration in the choice of their investments, although it has to be paid for in the form of a lower yield on what they buy.

Tests Banker Applies

The investment banker has certain rigid tests which he applies and it is only after a most thorough investigation, extending, in most cases, over a period of weeks, that he makes his purchase. All first-class investment houses feel a tremendous responsibility in recommending investments, and if there is any doubt at all in their minds as to the ultimate payment of principal or interest, they have no hesitation in turning down the investment in question. In many cases it has turned out that they were too conservative but it is sound policy to invest only in securities in which one has thorough confidence.

Before proceeding to consider the various points to which careful attention must be given in judging the worth of an investment, it may be well to devote a few words to the allied subject of speculation. In nearly all investments there exists at least a slight element of speculation, but, broadly speaking, he speculates who in placing his money has uppermost in his mind the possibility of appreciation in value of his principal, whereas he who invests considers the safety of his principal and the sureness and regularity of his interest as the paramount features. In a new and developing country like Canada, speculation and speculative investing are bound to assume a place of some prominence and it behooves those who practise them to give heed to a few basic principles affecting them if losses are not to be sustained.

Mining Securities on Sound Basis

As mining is a very important industry in Canada, and as mining stocks occupy, at the moment, a prominent place in the public eye, a reference to them may not be out of place. A mine has been described as a hole in the ground with a liar sitting on top of it. This definition has, to a great extent, been justified in the past and will, undoubtedly, always be true to some extent, but mining, particularly in Ontario, is becoming of more and more importance every year, and the older mines are now on as sound a basis as a great many of our leading industries.

While no Canadian investment banking house known to the writer has identified itself publicly with the flotation of mining securities, it is quite possible that this may come about during the next few years.

It is interesting to note that the production of the mines for all Canada, including the nickel industry, amounted to roughly $300,000,000 for the year 1926, on which it is estimated that there was a profit of at least 30 per cent. In Ontario alone from gold, silver, nickel, copper, platinum, etc., dividends paid in 1926 amounted to nearly $17,000,000. As nearly as can be estimated, 53 per cent. of the mining shares are owned by Canadians, about 30 per cent. by citizens of the United States and 17 per cent. by British investors. The greatest care should be taken in investing in this class of security, as it lends itself very readily to misrepresentation and the wildest kind of speculation.

What to Look For in Mining

The main points to be carefully considered before placing money in mines are: 1. Properties.—Properties should not be mere claims. Enough assessment work should have been done to have definitely established the fact that mineral exists in paying quantities.

2. Management and Directors.—The management should have a reputation for honesty and ability and have demonstrated their knowledge of the situation by proven success in the past.

3. Capital.—Mining is an exceedingly expensive operation and there have been many failures through lack of sufficient capital, so that the company should have ample funds to carry on an extensive development until it can ship ore and become self-sustaining.

Should Avoid Tips

To those who buy the more speculative industrial securities, let this word of warning be given; pay no attention to tips. Also pay no attention to the day-to-day market fluctuations. The man who trades in and out daily is very rarely successful. It is the man who, after careful investigation, selects a diversified list of stocks of companies which are fundamentally sound and whose steady growth is reasonably assured, and who has the patience to wait, who is successful.

Our Canadian industries have come through very creditably probably the most trying period which any of us in this generation will ever see—the re-adjustment period immediately following the war.

There are remarkably few failures in any of our basic industries, notwithstanding the fact that there were tremendous losses due to the rapid shrinkage from the abnormally high war prices to normal pre-war prices.

It is practically the unanimous opinion of heads of our banks and other financial institutions, who are in a position to know conditions in Canada much more thoroughly than most of us, that we have already entered upon a period of prosperity which will continue for a number of years to come, so that investments in Canada, wisely selected, should not only be well secured, but prove highly profitable as well.

Boston, the home of Pres. Wentworth, is showing a considerable interest in the shares of Central Manitoba mines. The stock is strong around $1.90, which represents a profit of 90 cents a share to the great bulk of the public holders.

Fanny Farmer Opens New Stores; Increases Sales

Sales of Fanny Farmer Candy Shops in the first four months of 1927 totaled $1,138,595, compared with sales totaling $995,484 in the first four months of 1926. The company is now operating 99 shops.

An additional shop will be opened at Ithaca the end of this month and leases have been arranged for shops in Philadelphia and Scranton, Pa. It is expected that other shops will be opened at Niagara Falls, Amsterdam and Batavia, N.Y.

The company's balance sheet as at December 31, 1926, shows current assets at $671,107 and current liabilities at $36,827. Total assets are given at $1,657,662 of which $500,000 is for leaseholds and goodwill. There is a reserve of $77,000 for taxes and a mortgage of $33,500 is a liability. Otherwise there are no charges standing ahead of the preferred stock, which is carried at $763,921 for the 30,000 shares of no-par value. The common, also no-par, is carried on the books with the corporate surplus, which now is shown at $746,513. There are 100,000 shares of common.

Paterson Company is Working Three Shifts

It is reported that William Paterson, Ltd., Brantford biscuit and confectionery manufacturers, are expanding their business rapidly, the plant at present being operated on three shifts. The new company obtained a charter last October, John S. Dowling is president and Fred W. St. Lawrence, formerly of Perrins, London, is managing director. The other directors are C. L. Messecar of Brantford Cordage Co., George Hancock of Galt Paper Box Co., Fred W. Ryerson of Ryerson Bros. and Brantford Roofing Co., William F. Paterson and John Malcolm of St. George, Ont.

The capitalization consists of $200,000 of preferred stock and 4,000 shares of no-par common stock. Also outstanding are $235,000 of 6½ per cent. fifteen-year sinking-fund bonds. The land, buildings and plant are valued at $625,000.

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We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the trade.

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Insurance for Buyer and Seller

TWO-YEAR POLICY REALLY PROVIDES INVESTING TRUST

Form of Policy Adapted to Those Seeking Safe Security

In spite of the fact that it has only been on the "insurance market" for something like two years, the two-year endowment policy that is being featured by many of the Canadian insurance companies has as yet a very obscure place in the world of life insurance. However, the other day when The Financial Post received enquiries from different people asking why the two-year endowment policy could not be classed as an ideal investment trust, it became apparent that very few people knew the answer to the query, "What is a two-year endowment life insurance policy?"

In the first place, a two-year endowment policy is a single premium policy, which, while embodying a slight protective feature, is essentially a method of using life insurance for investment purposes. The amount of the premium is usually between $970 and $975 per $1,000 of insurance, the money being paid in a lump sum at the time that the policy is written. As the name of the policy implies, the policy thus created matures in two years after the payment of the premium. The amount of premium is the same irrespective of the age, sex, or health of the insured.

Money Usually Left In

At the end of the two year period when the policy has matured, the insured has the option of receiving his $1,000 plus profits, or of leaving the money on deposit with the insurance company. It is this latter course that is usually followed, and that is apparently the real and primary reason for the creation of this type of policy. What then are the benefits that accrue from the leaving of such moneys on deposit with the insurance company?

In the first place there is the security afforded by the fact that moneys placed on deposit with an insurance company are not earmarked, but are merged into the general funds of the company subject to the governmental restrictions that are placed upon the investment of life insurance funds. If the company is a large one the insured has the advantage of highly efficient and specialized organization, which is skilled in the art of investing, and whose primary purpose is to secure the highest possible rate of return, commensurate of course with the standards of security required by the law. The money can, of course, be withdrawn at any time, but while it remains on deposit with the company it becomes a part of an investment trust that offers the highest possible security together with infinite measure of diversification and of all the other qualifications of a well-managed trust.

Return is Now 5½ Per Cent.

After security, perhaps the next important feature of the endowment policy is the rate of return which the insured will receive by leaving his money on deposit with the company. To begin with, the insurance companies guarantee a fixed return of 3½ per cent. to the insured. To this, however, must be added a certain definite return which is dependent upon the earnings of the company over a period of years. At the present time this rate gives a return of approximately 5½ per cent. and in view of the diversity and the conservative nature of life insurance investments, the larger companies, at least, feel confident that this rate will be continued for many years to come. This rate of return does not of course begin until the two years have elapsed, but in the meantime the insured participates in the company's profits, which, together with the appreciation in the value of the policy, gives a net return of practically 4 per cent. per annum during the two years that the policy is in force, and 5½ per cent. thereafter.

The next feature which accrues to the advantage of the holder of this type of policy, is the fact that in case of death, the money left on deposit in this manner, receives the same consideration and advantages as the ordinary life insurance policy.

Either before or after the policy matures, an arrangement can be made with the insurance company, that in the event of death, the proceeds may be distributed over a period of years in any way that the policyholder may desire. This service may take the form of an annuity or monthly payment scheme for the benefit of the insured's beneficiaries, and is of course given to the insured free of charge and in addition to the regular rate of return on the money left on deposit.

Income Tax "Argument"

Another advantage of the policy which is sometimes stressed by agents of the various companies, is the fact that the proceeds of the policy if treated in a certain way, will not be subject to income tax. It is pretty generally understood that the Dominion income tax applies to the "income from, but not the proceeds of" life insurance policies paid either at maturity or upon the death of the insured. However, with a policy of this type, it is exceedingly difficult to separate or distinguish between proceeds, and income, especially if only a part of the return is actually taken by the policyholder. The theory of exemption is evidently that after a few years, if any income has been left to accumulate, it becomes almost impossible to distinguish between income and proceeds. On this argument, it is best to refrain from comment.

At present only a few of the Canadian companies are writing this form of insurance, but in the two years that the policy has been on the rate books, a fairly large amount of insurance has been written along these lines, and according to those who are writing this business, as the advantages of the policy are fully appreciated, there will be an ever-increasing amount of money invested with insurance companies under this plan.

Life Insurance Sales in Canada

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000	....
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	....
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	....
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000	....
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000	....
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000	....
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	....

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Total, 1927 four months	$157,025,000
Total 1926, four months	146,480,000
Increase to date, 7%	10,545,000

FRATERNAL TREND AWAY FROM CHEAP INSURANCE PLEA

Public No Longer Ready to Accept Assessmentism With Its Uncertainties

Speaking to the delegates assembled for the 36th annual convention of the Canadian Fraternal Association, at Toronto, George E. Bailey, retiring president of the association, stated that "the trend of insurance thought is away from the old idea of assessmentism.

"The public is no longer seeking cheapness that carries uncertainty as to the ability to meet payments at maturity," he said, "but is buying more and more of sound insurance each year and less of the uncertain variety. Societies which cannot give the public what it demands in insurance protection will soon cease to attract new members to their ranks. Up-to-date fraternal societies not only give sound protection, but a varied form of certificate and the service that goes with it; hence, our societies are now giving benefits as varied as those of commercial insurance companies, whole life, old age endowment, 20-pay life, 20 or 30-year endowment, health and accident and juvenile insurance. Our fraternal insurance certificates embody most progressive features, including automatic non-forfeiture, cash surrender values, and old age protections.

Need For Such Societies

"At the last session of the convention of insurance commissioners the fraternal system was discussed at length with apparently unanimous opinion on the part of these supervising officials that there is a need and a place for these societies to function. Some of our leaders seem now to have reached the stage where having complied with all requirements, there is a growing desire to get out from under the restrictions of the past. They have intimated that in their opinion fraternal insurance societies operating under the lodge system are becoming obsolete. Such officers are in the wrong camp, and it is their privilege to move out of the fraternal lodge group if they have no confidence in it, and are not in accord therewith.

"To my mind the lodge system is as necessary to-day as it ever was, and those among us who would discard it are erring in judgment. We all realize that what constituted a lodge service a quarter century ago does not fit into the social life of these modern times, especially for the younger element of our organization. When we meet together in annual session, our main topic should be fraternalism. An interchange of thought on this subject is always appropriate. Fraternal insurance now holds the confidence and respect of the public because the fraternal system represents honest contracts between itself and its members. Its perpetuity is assured. The fraternal society is now a poor place for one who does not believe in fraternalism. Its success is made by those who do believe in it."

Wrote $141,000,000 of Business

Statistics accompanying the annual report of the secretary-treasurer of the association showed that, in 1926, fraternal societies registered in the association wrote $141,771,882 of new insurance, of which $37,491,705 was written in Canada. Membership in fraternal organizations increased from 1,045,000 in 1925 to 1,070,000 in 1926. Of this increase, 5,000 is attributable to Canadians, the membership in Canada being now 302,706, as against 297,784 at the end of 1926.

The officers elected for the following year are as follows:

President, Major A. F. VanSomeron, of Brantford; vice-president, F. S. Mearns, of Toronto; secretary-treasurer, W. F. Montague, of Hamilton; counsellor, Lyman Lee, of Hamilton, and executive member, F. J. Curran, of Montreal.

[Ad No. 5 in a series on Business Mortality]
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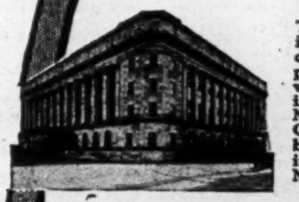

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Take all the premiums ever collected in Canada by Metropolitan Life, and compare them, first with the claims paid on policies in Canada; second with the Metropolitan investments in Canadian securities; third with Metropolitan operating expenses in Canada; those three things exceed by $53,000,000 all of the premiums ever collected in Canada by Metropolitan Life.
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Current Events in Banking World

DOUBLE LIABILITY EVADED BY CHAINS OF BANKS IN U.S.A.

Peculiar Situation Arises as Holding Companies Develop

NEW YORK. — Canadian bank shares all carry double liability. So do practically all American bank shares. But the point is now being raised in the United States that the double liability clauses of American bank shares are in danger of evasion by the formation of large holding companies, which acquire controlling interests in different banks but which in themselves may not be financially responsible. The situation is interesting as having some remote resemblance to the Canadian situation.

Arises From Chain Banking

Opinion is growing in banking circles that Congress sooner or later will have to give attention to what is designated as chain banking—that is, the ownership and control of banks through the agency of a holding corporation.

Correspondence between Congressman McFadden and Comptroller of the Currency McIntosh has emphasized this belief. Bankers who have read the letters passing between the two officials comment on the inconclusiveness of the comptroller's reply. He admits that while his office may exercise authority in correction of bank ownership detrimental to the bank, he is helpless when faced with state corporation control.

And that, in popular banking opinion, is where future danger lies. It is not the strong corporations owning bank stocks that bankers are talking about. What they have in mind is the formation of weak, irresponsible companies that under State laws might be permitted to take over control of banks, either with the idea of speculation or with the more direct purpose of evading the penalty of the double liability clause attached to bank share ownership. An editorial in the American Banker on this point has received indorsement as bearing on the situation.

The double liability clause was inserted in the law governing national banks, and almost universally in State laws as well, for a definite purpose. At times this purpose has been defeated through the discovery that bank shareholders are not financially able to meet an assessment. But on the whole the clause has been enforced successfully in a majority of cases and has restored to bank depositors funds that otherwise would have been lost beyond recovery.

Speculative Bank Ownership

A study of the McFadden-McIntosh correspondence, in bank opinion, emphasizes the danger of possibilities of speculative bank stock ownership by irresponsible corporations. In case of insolvency of a bank or banks controlled by such corporations, the subsequent bankruptcy of the corporation itself would leave depositors in these banks without recourse beyond the existing assets of the bank itself, since a bankrupt insolvent owning corporation would have nothing that could be levied on even if an assessment action at law should be successful.

In confuting the argument such owners of such corporations would be in a worse position themselves, through their own bankruptcy, bank officers point out that these corporations would not have entered the field with a clear and honest purpose of developing business through the possession of sufficient assets, but rather with the primary idea of evading a double loss.

One Extreme Incident

The Manley chain bank incident in Georgia is cited as an extreme case of irresponsible bank ownership. Here the corporation exploited the assets of banks for its own selfish purposes and in the end crashed in the wreck of mismanaged and failing banking institution.

Just how the possibility of chain bank danger will be avoided is an open question. The comptroller, as he states in his letter to Mr. McFadden, can prevent it to some extent by vetoing share ownership detrimental to a national bank. But in an exercise of authority of this sort any official, even the Comptroller of the Currency, would be in a delicate position in assuming arbitrary dictatorship.

An attorney in New York, whose work is largely in the banking field, ventured the opinion that Congress might forbid corporation ownership of bank stock beyond a stipulated percentage. This would have the effect, providing the enactments of Congress went to that extent, of preventing control, but it would not reach as far as state banks owned by holding corporations chartered by the State. As stated, the matter will probably be brought to the attention of Congress at the next session.

Bank of Toronto

The Bank of Toronto has opened a branch in Ottawa, corner Bank and Cameron Streets, under the management of J. C. Joynt, formerly accountant at the Union Station branch, Ottawa.

Standard Bank

A branch of the Standard Bank of Canada is to be opened in Saskatoon.

Staff Gossip

James Norman, of the Bank of Nova Scotia staff, has been transferred to Milverton.—Reporter, Galt.

* * *

E. E. L. Dewdney, manager of the Rossland branch of the Bank of Montreal, has been promoted to the management of the Trail branch in succession to G. F. Pritchard who has been transferred to Tampico, Mexico.—Province, Vancouver.

U. S. Tariff Policies and Visa Rulings Hit Canada Most Seriously

By GEORGE WILSON, Toronto, Former Assistant General Manager, Union Bank of Canada.

From Address to National Foreign Trade Convention in Detroit.

The baneful reaction upon Canadian export trade with the United States since 1910 as a result of various changes in the American tariff is very evident. From 1910 to 1913, exports from Canada to the United States were subject to a high tariff and in consequence showed negligible expansion. Under the lower Underwood tariff, 1913-1921, Canadian exports increased from $140,000,000 to $540,000,000 and under the emergency tariff of 1921 and the Fordney-McCumber tariff of 1922 our exports showed considerable contraction. Fortunately most wood and paper products are free of duty under the Fordney McCumber tariff but our basic industry—agriculture—has been hard hit under its provisions. The high United States tariff imposed upon fish and potatoes renders it difficult for our Maritime provinces to sell in their natural market in the New England States, and the 42 cents per bushel tariff on wheat and the imposition of a duty of 1½ to 2 cents per pound on cattle practically closes American markets to our Western Provinces.

Concealed Prohibitive Restrictions

There are certain sections in the American Tariff Act which, literally interpreted, appear quite innocuous, but which in reality contain concealed prohibitive restrictions which when invoked —as they frequently are—impose upon Canadian exporters sudden and unexpected financial losses and much vexation of spirit. For instance, under the so called "flexible tariff," the president may after investigation by and on the recommendations of the tariff commission, raise or lower the existing duty on any imported article to the extent of 50 per cent. This particular section is designed to protect home producers from unfair competition of foreign competitors—a principle which is very properly recognized in the anti-dumping acts of our respective countries. But, under the "flexible tariff" provisions referred to, proof of unfair competition is not required; the mere allegation or suspicion of unfair competitive methods upon the part of a foreign trader is sufficient warrant for an investigation by the U. S. Tariff Commission and automatically an injunction becomes operative against all importers of the article under investigation.

Under the American Tariff Act there are various schedules by virtue of which appraisers at the port of entry are empowered to exact double and sometimes treble the rate of duty specifically prescribed by the act, by revising the classification of goods, which have been bought, sold and shipped in good faith as dutiable according to the prescribed schedules. For instance, if a suit of clothes or a cotton dress, ordinarily admitted at a 35 per cent. rate of duty contain any lace or braid, which is dutiable at 90 per cent., the entire article may be assessed as dutiable at that prohibitive rate.

Charge Duty on Packaging

The exaction of duty on packing charges and containers and the inspection of the books of foreign exporters for the purpose of determining the cost of production of goods for export as prescribed in the American Tariff Act, is another source of difficulty and irritation which seriously militates against the development of our export trade with the United States.

These observations upon the general high level of the American tariff and upon certain inharmonious elements in the application thereof are made without any controversial intent whatsoever and in full appreciation of the inalienable prerogative of every country to frame its tariff laws to suit its own purposes. But it is felt that the subject of the tariff is inseparable from a free and frank discussion of our trade relations. All signs point to the development of Canada as one of the great trading nations of the world and it accordingly is but natural that we should regard our great next door neighbor as one of the logical fields in which to extend our trade. To-day there are undoubtedly insuperable barriers and difficulties confronting the export of many of our products which we feel could be logically marketed in the United States to the mutual benefits of both countries, and it is only fair to add that if a closer equilibrium of our trading relations cannot be attained, that other foreign trading channels will inevitably be explored. Canada, in common with other overseas British Dominions is seriously focusing attention more and more upon the development of inter-Empire trade and an ever increasing market for our surplus products will undoubtedly be found in the Motherland and in our sister Dominions. Our abiding and indissoluble loyalty to the Empire will always impel us to give first consideration to the development of trade within the family circle but that policy is by no means incompatible with a natural desire to trade more freely with a friendly English speaking nation close to our very doors.

Condemns Passport Ruling

It might not be amiss at this point to refer to two matters which might become a fruitful source of irritation and a disturbing factor in the existing friendly border relationships and which, as good neighbors, we are anxious to cultivate and perpetuate.

Firstly—the recent ruling of the United States Immigration Department under which Canadian-born workers employed in the United States will be denied the long established right "to pass and repass the border freely at will" as commuters, and are compelled to obtain passports and consular visas and pay the $8 head tax and by which British born Canadians are treated as aliens of the immigration class and subject to the quota provisions. This ruling came somewhat as a "bolt from the blue" and if made effective six months hence will impose hardships and misfortune upon many thousands of Canadian and British born Canadian workers employed in American cities at border points. As representations have been made by the Canadian Minister at Washington to the United States Government and the matter is therefore sub judice, it would be discourteous to comment further than to express the earnest hope that an amicable settlement will be forthcoming.

Secondly, Canadian tourists and visitors in the United States are frequently embarrassed and occasionally humiliated by difficulties in exchanging Canadian currency for American funds. At border points little or no difficulty is experienced, but frequent complaints are lodged by members of the Ontario Motor League, of the refusal of banks in particular and business in general at interior points, to accept the Canadian currency at the current rate of exchange. When Canadian funds are at par or even at slight premium a heavy discount—often 10 per cent. or higher—is exacted and not infrequently Canadian bills are refused altogether.

Cutting Canadian Currency

The Motor League report instances where banks in New York City have declined to exchange Canadian currency for its members and recently a Chatham, Ontario, member reported repeated difficulties returning from an extensive motor trip through the Southern States. This member carried the usual members' identification card beside other documents attesting his identity and respectability, but the president of a bank in Blythewood, Missouri, informed him that he "did not care to handle Canadian money at all". At Marion, Illinois, a bank refused to exchange Canadian money "at any price." By this time the traveler was compelled to forage food but had sufficient gasoline to take him to Indianopolis. The hotel there offered to exchange Canadian currency at 10 per cent. discount, and stated that the bank exacted this discount notwithstanding that Indianapolis newspapers on that date quoted Canadian funds in New York at 3/16 of 1 per cent. premium.

Canada has been on a gold basis for approximately a year, so that our currency can never decline to a discount beyond the gold shipping point, which is 13/64 of 1 per cent. The exaction therefore of an exorbitant rate of discount on Canadian currency can only be the result of ignorance or stupidity and it is to be hoped that the good offices of the American Banker's Association may be enlisted to correct the obviously erroneous impressions respecting Canadian currency which are now held by some of its member banks.

LYALL EARNS MORE

MONTREAL.—The annual meeting of the P. Lyall Construction Company will take place on June 7, next. According to current rumor the annual report of the company will show a considerable betterment over the exhibit of last year.

It is said that earnings after allowing over $70,000 for bond interest and bond redemption will amount to approximately 6 per cent. on the common stock. In view of the bettered showing which is anticipated, it is felt that the directors may very shortly give some thought to the declaration of a dividend.

Ontario gold mines produced in the first quarter of the present year metal to the value of $100,000 greater than that of the same quarter of the preceding year.

Weekly Bank Clearings

(In comparison with the same week last year)

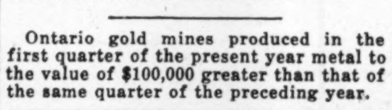
(Eastern Cities)

	May 21 1926	May 19 1927
Halifax	$ 2,857,694	$ 2,999,106
St. John	2,577,992	2,863,837
Moncton	885,061	815,982
Sherbrooke	1,100,907	1,018,472
Quebec	6,293,908	6,252,128
Montreal	107,871,184	125,231,355
Ottawa	7,385,074	8,324,125
Kingston	705,643	866,289
Toronto	105,024,000	131,570,241
Peterboro'	802,476	887,531
Hamilton	5,183,547	5,733,088
London	3,125,882	3,344,296
Brantford	1,038,769	1,171,025
Chatham	819,441	878,604
Kitchener	1,021,429	1,135,289
Windsor	......	5,686,733
Sarnia	581,848	732,162

(Western Cities)

	May 21 1926	May 19 1927
Fort William	$ 1,197,885	$ 1,000,659
Winnipeg	53,810,860	44,695,375
Brandon	640,024	628,012
Regina	4,456,155	4,288,522
Moose Jaw	1,066,912	1,123,987
Saskatoon	1,830,716	1,948,950
Prince Albert	403,611	377,077
Lethbridge	537,624	564,850
Calgary	6,404,324	6,649,731
Edmonton	4,624,454	5,408,466
Medicine Hat	288,755	321,810
New Westminster	692,908	826,324
Vancouver	16,191,511	17,704,370
Victoria	2,469,676	2,478,451

PIPE REPAIRING



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MONTREAL- 138 St. James St.

23

ACTUARIES TO MEET IN TORONTO JUNE 2

Come from All Over Continent for Meeting in Canada Next Week

Life insurance actuaries from all over the American continent will gather together on June 2nd, and 3rd, when the American Institute of Actuaries holds its spring meeting at Toronto next week. There will be four informal papers read at the meeting, and four informal discussions, as well as discussion of a paper read at a previous meeting. The four informal discussions are definitely related to the subjects which are being discussed at the International Congress of Actuaries which is being held in London, Eng., at the end of June. J. G. Parker, Actuary of the Imperial Life Assurance Co., is president of the American Institute of Actuaries, and will be in charge of the programme at Toronto. The subjects to be discussed are as follows:

Formal papers:

1) The liabilities of pension funds.—H. R. Corbett.

(2) Interpolation of Modified Coefficients.—J. F. Reilly.

(3) Modern History of Fraternal Insurance.—Sydney H. Pipe.

(4) Note on the 'Most Probable Number of Deaths.'—H. L. Reitz.

Informal Discussions—

1. Industrial Insurance—That recent developments have occurred in industrial insurance in the United States and Canada?

2 Group Insurance—

(a) Are there different types of coverage granted under group insurance plans and to what extent are these different types sold?

(b) What has been the development in legislation concerning group insurance, especially as to the basis of premiums and supervision of the business?

(c) Has group insurance proven a satisfactory branch of the business of insurance companies?

(d) What is the past experience and present practice with regard to the conversion of insurance on those lives leaving the employment of the firms insured?

3. Social Insurance:

(a) To what extent have state insurance schemes been used in the United States and Canada for the various types of social insurance?

(b) What future development in this field may be expected from present indications?

(c) In what manner and to what extent are voluntary schemes of employers and employees used to provide insurance against death, sickness, old age, etc.?

4. Foreign Currency Depreciation:

(a) What has been the experience and practice of the companies doing business in foreign countries as the result of the depreciated currency in such countries?

(b) How has this experience differed as the result of the writing of policies in the currency of the country of issue, or in the currency of the country of delivery?

OPEN IN HAMILTON

J. J. Gibbons Limited, Appoint E. D. Read As Manager

J. J. Gibbons Limited, advertising agents, have added Hamilton to their chain of offices, which now includes Toronto, Montreal and Winnipeg. E. D. Read has been appointed manager.

Mr. Read has been in advertising work for fifteen years, spending the last twelve with the F. F. Dalley Corporation, handling their advertising in Canada, the United States and other countries.

HURON & ERIE NOW OWNS SOUTHERN LOAN

Shareholders of Both Companies Approve Transfer of St. Thomas Institution

Shareholders of both the Huron & Erie Mortgage Corp. and the Southern Loan & Savings Co., of St. Thomas, have ratified the agreement whereby the Huron & Erie buys the Southern Loan for $153 for every $100 of par value of stock in the Southern Loan.

Details of the proposed merger were published in The Financial Post of April 22. The agreement provides that shareholders in the Southern Loan may invest the proceeds of the sale of stock in the 5 per cent. debentures of the Huron & Erie. It is provided, further, that the manager of the Southern Loan will be employed for the rest of his life, whether actively engaged or not, at the present salary. Members of the office staff of the Southern Loan are also to be retained, or if their services are to be dispensed with, their remuneration is to be fixed by the directors of the Southern Loan at not more than a year's salary in advance. The directors of the Southern Loan are to remain as an advisory board of directors for the Huron & Erie in the St. Thomas district.

This absorption by the Huron & Erie is one of a series that have taken place recently.

Farmers throughout Southern Alberta are supporting the sugar factory admirably, according to T. George Wood, district manager.

Joins Can. Northern

At a meeting of the directors of Canada Northern Power Corporation held here recently, E. R. Wood, of Toronto, was elected a member of the directorate. Mr. Wood was in Montreal recently.

Herbert Tareyton London Cigarettes

"There's something about them you'll like"

For your Pipe Herbert Tareyton LONDON SMOKING MIXTURE

T41

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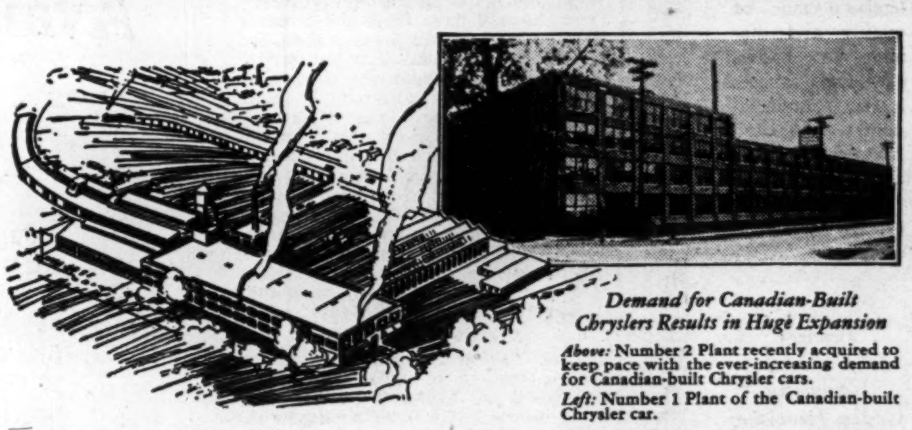
CHRYSLER

Fourth in Dollar Volume of Sales by Reason of Public Endorsement



Demand for Canadian-Built Chryslers Results in Huge Expansion

Above: Number 2 Plant recently acquired to keep pace with the ever-increasing demand for Canadian-built Chrysler cars.

Left: Number 1 Plant of the Canadian-built Chrysler car.

DURING the last six months of last year, the car-buying public has lifted Chrysler to 4th place in dollar volume among the world's largest motor car producers.

Chrysler is now preceded only by that other great individual manufacturer who gave the world standardized quantity—as Walter P. Chrysler introduced Standardized Quality—and two units of the largest corporate group in the industry.

The significance of this amazing advance of Chrysler in public esteem is very plain: people have once more proven that they will always seek out the individual operator who disregards outworn principles and practices and brings them something unmistakably new, unmistakably progressive and unmistakably superior in service.

In Canada, as throughout the world, people have found that Chrysler assures qualities and values which are not to be found elsewhere and which therefore place each Chrysler unmistakably apart from all other cars in its price-class.

Last year, Chrysler business in Canada increased 93%—and, to meet the ever-increasing demand, the Chrysler Corporation of Canada, Limited, took over in January another plant, securing 300% increased facilities for 1927 production and realizing the long-cherished ambition of having Chryslers built largely of Canadian materials in Canadian plants by Canadian workers.

The Chrysler dealer in your vicinity will welcome an opportunity to place a Chrysler car at your disposal. Take out the car. See for yourself how it settles all arguments by demonstration and by differences so obvious that you cannot fail to class it as unique and literally above competition.

CHRYSLER CORPORATION OF CANADA, LIMITED, WINDSOR, ONTARIO

WALTER P. CHRYSLER, Chairman of the Board

Chrysler "50" SIX BODY STYLES $1045 to $1220 50 miles and more per hour

Chrysler "60" SIX BODY STYLES $1470 to $1770 60 miles plus—with ease

Chrysler "70" NINE BODY STYLES $2010 to $2590 70 miles plus

Chrysler Imperial "80" ELEVEN BODY STYLES $3635 to $5225 80 miles plus—92 horsepower

All prices f. o. b. Windsor, Ontario (freight only to be added), including all taxes and complete equipment

THE CANADIAN-BUILT CHRYSLER FOR CANADIANS

Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Fifth Article: THE PROBLEM OF SUCCESSION DUTIES.

By RALPH C. GEDDES.

Each province has its own Succession Duty Act and naturally the different acts vary in many respects. It is, however, the points which they have in common which chiefly concern us here, and it must be left to any reader, if he is interested, to make enquiries regarding the exact manner in which the act of the province in which he is domiciled may apply in his own particular case. This will always depend on what comprises his assets and how his will is drawn as well as on the rates of duty levied in the province.

In the first place we have to consider those provisions which, from the standpoint of a testator, are probably some of the most important, and at the same time the least known, of these enactments. Each act contains the means by which it is possible to make a very substantial saving in the total amount of duty that will be paid before the estate is finally distributed; and no will should be drawn disposing of a dutiable estate without a fairly complete understanding of the significance of these provisions. By final distribution is meant the ultimate passing of a portion of the estate to each of those whom testator had it in his mind to benefit.

Gifts made in one's lifetime (with some few exceptions) taxable at death. If a father gives his son a cheque, it may be taxed later.

Two Ways of Leaving Estate

For an example let us take the most usual case—a man with a wife and family. His intention ordinarily is that his estate, or the bulk of it, will finally be divided amongst his children, or even his grandchildren, after his wife has had the use of it. He can accomplish this purpose in two ways, both of which have already been discussed, but onlv in connection with the relative safety of the capital involved or as a means to control it.

He can by his will direct certain legacies to be paid and leave the rest of his estate to his wife. At his death the absolute ownership of it passes to her. But it is not his intention, nor is it hers, that this shall be the final distribution of this bequest. The understanding of both is that she will pass it on to the children; and, unless in the meantime she has spent or lost it, this is what she does by bequeathing the capital in the manner he intended. Probably she has had to draw on some of the capital to supplement her income, or, on the other hand, she may have been able to add to the capital out of her income; but in the main it is practically the same estate that is finally divided amongst the children.

Would Mean Double Taxation

What the testator so often overlooks is that at his death a succession duty is payable on the bequest to his widow, and at her death another duty is payable on the same capital by reason of her bequests of it to the children. It is to be noted that all the acts have broadened out the idea of the property passing under a succession to include gifts (with a few exceptions) made during the lifetime of the owner. Consequently, even if the widow has given the capital to the children while she lived, it would still be taxable at her death.

Suppose, therefore, that the capital was $100,000 and the rate charged was 5%. The estate would suffer a deduction of $10,000 by the payment of duty twice before the children finally received it. In addition, there would be probate fees and administration expenses to be paid each time it was bequeathed.

Alternative Method of Doing It

Now let us consider the other way in which he might have got a similar distribution. Instead of leaving the capital outright to his wife, i.e. giving her the absolute ownership of it, he can bequeath to her the income from it for her life (a life interest). There still remains the capital to dispose of, and he further directs in his will that it shall be divided by his trustees amongst the children when his wife dies (interests in expectancy). He should also provide that the trustees shall have power to encroach upon the capital for the benefit of his wife during her lifetime. Thus she will have from the trustees all that she would have taken for herself, and the final distribution will be the same as under the first plan.

But so far as succession duties are concerned there is a substantial difference. The duty is charged upon each bequest, and under this will the bequest to his wife does not consist of capital, but of the income from the capital for as long as she survives him. The amount of this bequest, then, is the capitalized value of the income based on her expectation of life, whereas under the first plan it was the whole of the capital.

Big Saving in Duty

Thus, taking the same figures as before, instead of making his wife a bequest of $100,000 he has only made one of $40,000, or whatever the present value of the annuity may be as of the date when it commences to run. The duty paid with respect to this bequest will be $2,000, and a saving of $3,000 in duty has been made.

His will also contained bequests to the children on which duty must also be paid, and which can either be paid at their father's death or when they actually receive the bequests at their mother's death. At this latter date the children will receive $100,000 divided amongst them, in which case the duty will be $5,000 if not paid until then. But all the provinces except Quebec allow it to be commuted and paid within the time allowed for the payment of duty at their father's death. The value of the interests in expectancy when so commuted is $60,000, being the value of the capital less the capitalized value of the prior life interest. The commuted duty is, therefore, $3,000.

The duty on the bequests to the mother and to the children in such a will can thus be discharged for $5,000, and the capital will pass to the children free of any further payment of duty and without further probate or administration expenses. This apparent saving of 50% of the duty is subject to a small deduction during each year that the widow lives. For the duty on the interests in expectancy has been paid before it needed to be, and consequently the estate will lose the yearly revenue from the amount so paid. But the saving will not be less than $3,000 and it may be up to $5,000, plus one set of probate fees and Executors' charges.

Our discussion of succession duties will continue next week.

Note.—In Quebec the duty on the first succession is charged on the capital whether it is left outright or upon trust. But in the latter case, no further duty is charged when the capital passes on the death of the life tenant, so that a similar saving results before final distribution.

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Asbestos Corporation is Finding Market Better

From Our Own Correspondent.

MONTREAL.—Reports are in circulation which indicate that the earnings of the Asbestos Corporation are showing an improvement as compared with those of a year ago. There has been a smaller production of crude asbestos by the South African mines, and it is reported that the Canadian product is experiencing a better market.

It is understood that market prices for some of the higher grades are strengthening. The preferred shares of the Asbestos Corporation are now selling at a price to yield over 8 per cent. a satisfactory yield, especially as it is said that earnings for the month of April, after all charges, were twice as large as in April, 1926.

New Stock on Curb

MONTREAL.—The shares of Commercial Alcohol, Limited, have been listed on the Montreal Curb Market. The capitalization of the company consists of $250,000 of 8 per cent. cumulative, preferred stock, and 200,000 shares of no-par value common stock. The no-par value stock was created recently by splitting 5,000 shares of $100 par value stock four for one. The general impression regarding the dividend on the new stock is that the management intends to place the shares upon a regular 25c. quarterly dividend about next July.

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For six months and more The Financial Post's augmented editorial staff have been working on The Survey of Corporate Securities. Years of work studying and reviewing the companies to be dealt with is the background which makes this new work possible. But The Financial Post has not hesitated to ask the counsel and work of leaders in finance and business and this, happily, has been gladly given.

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